

# **IMPLEMENTATION OF THE TAIWAN RELATIONS ACT**

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**HEARINGS**  
BEFORE THE  
**SUBCOMMITTEE ON**  
**ASIAN AND PACIFIC AFFAIRS**  
OF THE  
**COMMITTEE ON FOREIGN AFFAIRS**  
**HOUSE OF REPRESENTATIVES**  
NINETY-SIXTH CONGRESS  
SECOND SESSION

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JUNE 11, 17 AND JULY 30, 1980

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### PREFACE

The hearings herein published focus on the Taiwan Relations Act and its implementation during the first 2 years of its existence.

On January 1, 1978, the United States extended diplomatic recognition to the People's Republic of China. As a result of that action, the United States terminated diplomatic relations with the Republic of China. At the same time, the United States announced its intention to maintain informal economic, commercial, and cultural relations with the people on Taiwan.

On April 10, 1978, the legislative framework for the conduct of our relations with the people of Taiwan, the Taiwan Relations Act, was signed into law. Section 14(a) of the act provides for congressional oversight with respect to "the implementation of the provisions of this act \* \* \*."

In accordance with its oversight mandate, the Subcommittee on Asian and Pacific Affairs visited Taiwan in January 1980 to review the functioning of the Taiwan Relations Act during its first year of existence, and, on its return to the United States initiated the series of hearings contained in this publication.<sup>1</sup>

During the hearings the Subcommittee focused its attention on the following four areas of major concern to the Congress:

- (1) The security environment in the vicinity of the Straits of Taiwan and the legitimate security needs of the people of Taiwan;
- (2) The state of the Taiwanese economy and of United States-Taiwan economic and commercial relations;
- (3) Domestic political conditions on Taiwan;
- (4) The functioning of the relationship between the American Institute on Taiwan (AIT) and the Coordination Council for North American Affairs (CCNAA).

The subcommittee is well aware of the sensitivities which exist on both sides of the Taiwan Straits with regard to the issues addressed in these hearings. Yet, at the same time, the subcommittee believes that there is need for greater public understanding of the issues involved in the exceedingly complex and delicately balanced relations we enjoy today on both sides of the Taiwan Straits.

The subcommittee believes that the publication of these hearings will serve to enhance public understanding and support for the policies involved.

LESTER L. WOLFF, *Chairman,*  
*Subcommittee on Asian and Pacific Affairs.*

<sup>1</sup> The findings of the subcommittee were published in its report: *Asian Security Environment: 1980.*

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## IMPLEMENTATION OF THE TAIWAN RELATIONS ACT

WEDNESDAY, JUNE 11, 1980

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS,  
*Washington, D.C.*

The subcommittee met at 10:30 a.m., in room 2200, Rayburn House Office Building, Hon. Lester L. Wolff (chairman of the subcommittee) presiding.

Mr. WOLFF. The subcommittee will come to order.

Let me apologize for starting late but unfortunately there was a very important vote on the floor. Under any circumstances, we thank all of you for attending here this morning.

Today the Subcommittee on Asian and Pacific Affairs is holding the first of two scheduled hearings to review the implementation of the Taiwan Relations Act.

At the very outset of these hearings let me take the opportunity to review briefly the purpose of this set of hearings.

On December 15, 1978, President Carter announced that the United States and the People's Republic of China had agreed to establish diplomatic relations as of January 1, 1979. As a result of that decision, the United States terminated diplomatic relations with the Republic of China. Thus the decision to normalize relations with the People's Republic of China necessitated the legislative restructuring of our relations with the people on Taiwan.

On April 10, 1979, the new legal framework for the conduct of unofficial relations with the people on Taiwan, the Taiwan Relations Act, was signed into law. Section 14(a) of that act provides for congressional oversight with respect to "the implementation of the provisions of this act \* \* \*"

### SUBCOMMITTEE OBJECTIVES

Thus our objective this morning and again next Tuesday is threefold:

1. To examine the overall functioning of the TRA during its first year of existence;
2. To determine whether and how it has served to advance our interests and the American-Taiwanese relationship; and
3. If necessary, to make recommendations with regard to the future conduct of American-Taiwanese relations.

Specifically, the subcommittee intends to focus on four major areas of concern to the Congress:

1. The security environment in the vicinity of the Taiwan Straits and the security of the people on Taiwan;

2. The Taiwanese economy and its relationship to the Taiwan Relations Act;
3. Domestic political conditions on Taiwan; and
4. The functioning of the AIT-CCNAA relationship.

The subcommittee is well aware of the sensitivities which exist on both sides of the Taiwan Straits with regard to the issues involved in these hearings. But, at the same time, given our legislative mandate as representatives of the American people, we consider it incumbent on this subcommittee to address these issues to the greatest extent possible in a public forum.

#### NEED FOR PUBLIC UNDERSTANDING

I should like to observe that there is a need for greater public understanding of the issues involved and the exceedingly complex and delicately balanced relationships we enjoy today on both sides of the Taiwan Straits and that public support for these relationships is an essential element in their maintenance, growth, and development.

As somewhat of a postscript, I think the foreign policy decisions that are made by the United States should be made by the United States and not dictated by outside sources of any kind.

With these thoughts in mind, we welcome our witnesses, Hon. Richard Holbrooke, Assistant Secretary of State for East Asian and Pacific Affairs, and Mr. David Dean, chairman of the board and managing director of the American Institute in Taiwan.

We should like to proceed first with Mr. Holbrooke, General Pinckney, and General Graves. Therefore, Mr. Holbrooke, if you have a prepared statement—and I see that you have—without objection, your entire statement will be included in the record at this point and we should like to ask if you would summarize your statement for us.

#### STATEMENT OF HON. RICHARD C. HOLBROOKE, ASSISTANT SECRETARY, BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, DEPARTMENT OF STATE

Mr. HOLBROOKE. Thank you, Mr. Chairman. In addition to my prepared statement, let me just say that I think the role Congress plays in our relations with Taiwan is a unique one by virtue of the fact that Congress passed the Taiwan Relations Act as a special sign of its concern.

I know that in furtherance of that special congressional relationship to Taiwan, your committee and your counterpart committee in the Senate have indicated that you wish to have a special degree of involvement and prior consultation in matters relating to Taiwan.

We have been changing our procedures internally in the executive branch so as to increase the amount of prior consultation that we have had with the committee and with the Senate in regard to Taiwan.

The second point I would like to make is a very simple one. I think, given the unique historical nature of our relations with China and with Taiwan, in the last year and a half the record is an extremely good one over the last 18 months. Normalization worked, and the proof of that lay not only in our relations with Beijing but in our relations with the people of Taiwan through the instrumentalities that were established, AIT and CCNAA.

So I am glad to have this opportunity to review with you this morning what has been achieved and where we might find areas for improvement in our performance. Thank you.

Mr. WOLFF. Does that conclude your statement?

Mr. HOLBROOKE. In addition to my prepared statement.

Mr. WOLFF. Would you like to summarize your prepared statement?

Mr. HOLBROOKE. I thought it was unnecessary because it would just take an additional amount of time, but I will go back over it if you want.

Mr. WOLFF. I think if you will, Mr. Secretary, just give us some of the high points that you have enunciated here in your statement because some parts of the statement are somewhat in conflict with the General Accounting Office report that has been classified as secret. Certainly we will not breach any of the rules of classification, but parts of this report are unclassified and therefore we would like to see whether there are inconsistencies existing between the unclassified parts of this report and your own assessment of the situation.

#### SECURITY OF TAIWAN

Mr. HOLBROOKE. I think, in regard to the security of Taiwan, there has been no change of an adverse nature in that situation in the last year and a half. In fact, tensions in the Taiwan area are demonstrably at an all-time low since 1949.

In regard to arms sales to Taiwan, we honored in 1979 previous commitments. Total sales in 1979, FMS and commercial, were valued at \$800 million. New requests were not considered in 1979 but were in 1980, and on January 2 of this year we sent prenotifications to Congress for \$280 million worth of equipment, including I-Hawks, Sea Chapparral, TOW antitank weapons and many others.

In regard to relations between the People's Republic of China and the island of Taiwan, those are something for the Chinese themselves to work out. But I think the statements made by the leaders of the People's Republic of China in the last year and the fact they removed barriers on communication between Taiwan and the mainland augur well for the future.

As far as the economy of Taiwan goes, their gross national product increased 20 percent in 1979. Their trade with 120 other countries increased 31 percent to \$31 billion. United States and other foreign investment reached a record \$329 million in 1979.

In the first quarter of this year total value of Taiwan's imports increased 44 percent. Imports from the United States were up 65 percent in the first quarter. Value of their exports in the first quarter increased 34 percent over last year.

So I think you can see that Taiwan's economy is still running at a higher level than almost any other economy in the world.

In terms of the internal situation in Taiwan, I do not believe that it has been affected in any fundamental way at this point by the United States normalization with China. There have been some setbacks toward political liberalization with the now famous Kaohsiung incident of December 10, 1979, the demonstration organized by political oppositionists which erupted in violence and resulted in injuries to police and arrests and trials of the Kaohsiung defendants.

There have also been some recent developments in regard to the Taiwan Presbyterian Church. We watch all of these developments carefully and we are very mindful of the fact that the Taiwan Relations Act specifically mentions human rights as a consideration that should be borne in mind.

The American Institute in Taiwan, AIT, whose director, David Dean, is here with us today, has kept CCNAA informed of our views. Church and other groups in this country have been disturbed by these events.

I believe that the relationships that have been developed are working. The pattern for successful future relationships through instrumentalities has now been established.

I will be happy to answer any questions.

#### ARMS SALES TO TAIWAN

Mr. WOLFF. Thank you. Mr. Holbrooke, in the report that we have from the GAO—and again I am quoting the unclassified portion of that report—it says, “The Department views even the smallest issue involving the form of our relations with Taiwan as having a possible negative impact on United States-People’s Republic of China relationships.”

Now, in the Taiwan Relations Act, in the report, it specifically said the United States should make available those types of conventional weapons and equipment needed for Taiwan’s defense and not based upon the reaction that supplying such defense arms or defense services might stimulate. How do we reconcile those two points?

Mr. HOLBROOKE. I think our behavior in regard to arms sales to Taiwan shows without any doubt we have been scrupulous in not discussing these matters in advance with the People’s Republic.

Mr. WOLFF. The report says the Department generally reviews any type of action with Taiwan for its possible negative effect upon our relations with the People’s Republic of China. Doesn’t that indicate to you the fact that there is a question predetermining a bias in some connection.

Mr. HOLBROOKE. I don’t think so, Mr. Chairman. First of all, since the issues of Taiwan and the mainland are undeniably and irrevocably linked in everyone’s mind, one has to take into account the effect of actions in one area in regard to actions in another. That is simply an observation based on the facts of the situation.

However, in regard to arms sales, I would point out, for example, that the decision to send the prenotifications to the Congress on January 2, 1980, was specifically dictated by the fact that we wanted to resume or we felt we had to resume the offering to Taiwan of military items immediately.

I want to stress how rapidly we did it and specifically that it was done prior to Secretary Brown’s departure for China on January 4.

Mr. WOLFF. Then you are saying that was prior to the time that you made a decision to change policy with regard to the People’s Republic of China?

Mr. HOLBROOKE. What I am saying is: The decision to give you prenotifications prior to Secretary Brown’s trip was made precisely because it was important to demonstrate that decisions made regarding what we sell Taiwan are made independent of such events as Harold Brown’s trip to China.

Mr. WOLFF. One aspect in all of this—I am certainly not going to quote from the classified section—is that there has been a charge that there has been a deferral of answers to the requests that have been made by Taiwan for certain types of military equipment going back as far as 1972, that there is a deferral on decisions and that you don't reject these requests but you just don't answer them.

Mr. HOLBROOKE. Which specific ones?

Mr. WOLFF. You are asking me to get into the classified section of this report, and I am sure you are aware of what is involved—sophisticated aircraft, certain types of missiles and the like that have been pending since 1972.

Mr. HOLBROOKE. Mr. Chairman, there are certain things that have been requested by Taiwan which we think are inappropriate.

Mr. WOLFF. Then why don't you turn them down? Why leave them hanging?

Mr. HOLBROOKE. Some have been turned down. Some they ask us to keep considering, so we keep considering them.

Mr. WOLFF. We also understand on this point, Mr. Holbrooke, that the AIT and the Defense people, former Defense people, have no input whatsoever into making the determinations as to what defense items shall go.

Mr. HOLBROOKE. I don't believe that is correct. I would respect and take very much into account the views of my former colleagues and associates, such as Chuck Cross, in Taipei and David Dean, who is here with us today.

#### TRA DISRUPTIONS

Mr. WOLFF. I would like to go to one other area and I would then move to my colleagues here. That is the fact that we were told, prior to the passage of the Taiwan Relations Act, that all treaties except the Mutual Defense Treaty would remain in force and that there would be no disruption of relations between the United States and the people on Taiwan.

Now, I have in the GAO report the fact that there are nine agreements which terminated on January 1, 1980, five agreements which require current action, 29 agreements which do not require current action and 14 agreements which appear to be either fully executed or inactive.

There is also one part of the report here that states that we don't even have a list of those agreements that exist, that there is not an accurate list of agreements. We believe that there has been a request made from a variety of sources for that list and it has not been forthcoming. Can you tell us something?

Mr. HOLBROOKE. I can supply you with a list of agreements and treaties with Taiwan. I will be happy to do that. I don't understand why it has been stated that a list is not forthcoming, since I have had such a list compiled, and I would be happy to give it to you.

Insofar as your earlier statement, Mr. Chairman, I believe that our statement was, at the time of normalization, that existing agreements and treaties remain in force. That did not mean they would remain in force forever. We will replace—

Mr. WOLFF. What we were trying to do at that point was make a determination as to what the relationship would be, and we were told that normalization with the People's Republic of China would have

no effect except for the formal relationships which existed with Taiwan prior to normalization.

Mr. HOLBROOKE. And that is correct, but let me give an example. The Civil Aviation Agreement signed between the United States and the Republic of China in Nanking in 1946 no longer applies to civil aviation between the United States and China. It can't and it shouldn't, and that agreement has been replaced by a new agreement, which, I think, is much to our advantage.

And we are now in the process of a very intense negotiation to reach a civil aviation agreement with the People's Republic of China. If we succeed in reaching that agreement with the People's Republic, which I think we should achieve, then we will have gotten an agreement with the People's Republic and a new arrangement between Taiwan and the United States—and in writing. No other country has ever done that and it is a marked step forward.

Mr. WOLFF. We never had a relationship with any other place like this.

Mr. HOLBROOKE. What I mean is: No other country, in reaching civil aviation agreements with the People's Republic of China, has been permitted or able to retain any sort of written understandings with Taiwan, but we have been able to do that. I think that is a significant step forward.

#### NOT CONSULTING WITH CONGRESS

Mr. WOLFF. What about these other agreements? Again on the question of the aviation agreement, we were informed that a new agreement was to be made. We were not consulted on this, and I think that the great problem that we do have with the Department is the lack of consultation.

Now, we do have hearings at which time you come formally before our committee and tell us about the changes that occur. You communicate to me various things that are of importance and that you believe are important for the committee to know about. I attempt to communicate to the members of the committee. Your staff works with our staff in trying to keep updated on various events that are transpiring.

However, I would say that, in decisionmaking, the decisionmaking is made without the consultation and we are informed just as we were informed en route—and I appreciate the information that you did get to me while we were en route relative to the list of items that were to go to the People's Republic of China, the military items that go to the People's Republic of China. But we were informed.

You know that I specifically had objection to the idea of an overall change of policy as somewhat of a foot in the door, so to speak. We have gone around in circles on this. But I think there is required, because of the nature of our oversight responsibilities, a closer working relationship between this committee and the Department of State and that we be involved in the decisionmaking process rather than just being informed.

I think this is a serious breakdown, and this is not directed at you, Mr. Holbrooke but it is directed at the overall circumstances between the Congress of the United States and the Executive. I think there is a serious breakdown. This is not just this administration but in other administrations as well.

I think we have situations whereby the news and the press media are notified in many of these situations before we in the Congress are. I think that is wrong. Our offices are always open to you and we should be happy to consult with you on any question, especially on something like this.

I do think that if there are to be questions as to the impact of a sale to Taiwan of military equipment impacting upon our relations with the People's Republic of China; I also feel that there is a serious impact upon our relations with Taiwan dependent upon our sale of military equipment to the People's Republic of China.

I still have serious questions on some of the equipment as a lead or forerunner to equipment that will be going to the People's Republic of China that is of a highly sophisticated nature. We saw in the Washington Post today that the clampdown on our high technology to the Soviet Union is having an effect upon them.

I hope that we do not become entrapped with the People's Republic of China with the same type of situation that occurred with the Soviet Union whereby high technology is transferred that is either not needed or can be used for other purposes by the People's Republic. And that does not mean that I in any way feel that our relationship with the People's Republic of China should not be fostered. I think it should be encouraged in every line that we can take.

I do think there is a very serious question on the point of consultation.

#### STATE CONSULTATIONS

Mr. HOLBROOKE. Mr. Chairman, on the question of consultations, as I have already stated, I recognize that you are not satisfied with the level of consultations which existed in the past. I have instituted a new procedure in which I have charged the appropriate person in the Bureau, Mr. Ferguson, with the responsibility for a level of consultation on Taiwan that far exceeds the normal level of consultation that we have with the Congress. I would hope that you would agree that our consultation with the Congress has been rather extensive by normal executive legislative branch standards.

Mr. WOLFF. I would say more exchange of information than consultation. I think the decisions are made without—not consultation necessarily—but I think that decisions are unilateral decisions rather than ones made with the input of Congress.

Mr. HOLBROOKE. I don't agree with that, Mr. Chairman. I think we listen to your views and those of your colleagues. We take them very seriously. They have had profound effect on our policies and will continue to. We each have our own responsibilities.

Mr. WOLFF. Can you name—you asked me to name before one particular aspect. Can you name one particular change of policy that you have made whereby we have had input in that decision?

Mr. HOLBROOKE. I believe that decisions that are forthcoming in the very near future will be deeply affected by congressional views.

Mr. WOLFF. You are not saying in the past.

Mr. HOLBROOKE. I think that the entire question of arms sales to Taiwan has been deeply affected by the attitudes and feelings of this committee and its counterparts in the Senate.

Mr. WOLFF. Thank you, Mr. Holbrooke.

Mr. Guyer.

TAKEN BY SURPRISE

Mr. GUYER. Thank you, Mr. Chairman.

I don't want to amplify what has been said. I want to apologize because I do have to leave soon. I think, just as one brief statement, we accepted a situation which was a cold shower shock to most people because we had no prior knowledge of it, but it was taken I think gracefully by the Congress and our uppermost concern was to be certain that a time honored friend was not left bereft on an island and alienated to the point where the friendship was gone. So we have tried restorative ameliorating kinds of relationship which I think you have done well to abet and to extend.

We do want to reaffirm our friendship, our presence, and our good intentions in the future. I have to agree with our chairman that I think even you folks in the Department have not even known where you were going for the last year or so. Had you known there would not have been a change in the top in your own Department. I have not seen a definite down-the-road announcement in neon of where we are going, where we have been, or where we are. I think you are doing a great job in trying to restore some wounds that do need healing, and some people do need to be reassured.

If we could accomplish that—but I do think also while we may not be decisionmakers on our own we want to be participants and not onlookers from the sidelines. Anything you can do to help make that come to pass would be, I think, a very forward step for all of us.

COMMUNICATIONS WITH CONGRESS

Mr. HOLBROOKE. Mr. Chairman, it would be of great value to us in attempting to improve our consultations with Congress, if you would assist us because of the degree to which you wish a level of specificity in regard to Taiwan that exceeds that in regard to any other country or area, if you would designate a single member of your staff with whom we could keep in daily and continual contact and then that person would be responsible for disseminating the information outward to your committee.

Mr. WOLFF. We can do that right now.

Mr. Palmer, our chief of staff, is designated and he will be on call, we will give him a beeper so you can keep him in reach.

Mr. HOLBROOKE. I think perhaps Mr. Ferguson and Mr. Palmer should get a direct phone line.

Mr. WOLFF. A red phone or a black one.

Mr. HOLBROOKE. Not red. I think the point is a serious one. Members of Congress have other things on their minds. They are traveling. They have many other things to do and we have often had problems of communication simply caused by logistics. But Mr. Ferguson is under very clear instructions from me not to take any actions in regard to Taiwan no matter how small or insignificant, without prior consultation and contact with both Houses of Congress.

Mr. WOLFF. Could you define the difference between notification and consultation?

Mr. HOLBROOKE. I am not a philosopher, Mr. Chairman.



NOTIFICATION VERSUS CONSULTATION

Mr. WOLFF. I do think you are an executive who has a very important Bureau. What is the difference between notification and consultation to your mind?

Mr. HOLBROOKE. I think—

Mr. WOLFF. If you don't know, that is the problem.

Mr. HOLBROOKE. I think the way I would define it is very simple. We talk about a specific problem, whether it is the follow on aircraft or customs markings or whatever. We have our responsibility to take action in that area. We come to our own conclusions as to how to proceed. We tell you what we are thinking about. If we don't hear again from you we go ahead. If we hear from you we are in a consultation. If we don't hear from you we have notified you. I think Mr. Ferguson could be identified to all of you if I might. Is he still here?

I thought he might have tried to get out.

Mr. WOLFF. Mr. Mica.

Mr. MICA. First I want to thank you for responding so quickly. It is a pleasure to be on a committee where there is an immediate response to requests.

Second, in fact this is something new to me but just for personal information, every morning when I read my mail—I get stacks of mail on this—how many Taiwanese are in the United States? I just wonder because I think I have gotten a letter from all of them.

Mr. HOLBROOKE. I don't know because there are so many types of people who have associations with China or Taiwan either first or second generation who have interests in these issues.

I would be very interested personally to see the census this year.

INDIRECT TRADE

Mr. MICA. Look at my mail, the committee's mail!

With regard to your statement, on page 10 you indicate growing indirect trade between Taiwan and the People's Republic of China. Could you give us a little information on that trade, what is happening there? How much? I would be led to believe it is starting to build to a rather substantial amount.

Mr. HOLBROOKE. We really don't have figures which are worth much because of the clandestine ways a lot of this takes place. Estimates I have heard run as high as \$100 million in 1979, primarily through Hong Kong and Japan.

Mr. MICA. Last year?

Mr. HOLBROOKE. But it is increasing rapidly.

Mr. MICA. What was it before?

Mr. HOLBROOKE. The previous year I heard an estimate of 50 million but, Mr. Mica, I don't know what the figure is. All I know is you are beginning to really see it escalate. For example, there was a very interesting article in the New York Times 2 weeks ago from Fujian Province—that is the province that faces Taiwan—and there are a lot of Fujianese on Taiwan, and vice versa. The most popular songs in that province are songs of a Chinese singer but one who was born in Taiwan, lived on Taiwan all her life and her records

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are being sold openly in Fujian Province. Those things are just almost unbelievable for those people who have followed the history of China since the 1930's.

These are things which our Chinese friends and associates from the mainland say would literally not have been possible if it weren't for the normalization. I think whatever the figure, it is going to be going up geometrically.

Mr. MICA. The point I was getting at, it would appear when you talk about \$100 million in trade between two nations that have no relations and don't speak to each other, obviously there has to be some Government approval in greater and broader spectrum than ever before, and I hope this portends great things.

#### DIRECT MEETINGS

Mr. HOLBROOKE. I do too. I have singled out in my statement for special notice the change in the public statements of the People's Republic the last year. I would also draw your attention to a very, very important related fact that I think is more important than trade, and that is family contacts.

In the last year or year and a half an extraordinary number of officials and visitors from the People's Republic of China have been allowed to have direct contacts with their relatives who have lived in Taiwan since 1948 or 1949, meeting them in the United States or Japan or elsewhere. I am personally aware of several very prominent members of the Chinese leadership who have been authorized such meetings. Those meetings have not been prevented by the Taiwan authorities although the impetus seems to have come in every case I am aware of from people from the mainland.

So far direct meetings on Taiwan between such people have not taken place and any meetings of people living on Taiwan who went to the mainland were done without the approval of the Taiwan authorities. But there have been such meetings. There have been people from Taiwan that have gone to the mainland going through other countries and coming back without the knowledge or explicit knowledge of the Taiwan authorities. When you consider the number of people who have divided families, you are talking about millions and millions of people. It is not a random collection of people out of the 1 billion Chinese, it is more or less people from the upper middle class, the elite, the educated people. Therefore it is much more heavily concentrated.

You have a development which I think is of historic significance. I observed it firsthand. You can observe it firsthand by asking direct questions of your friends from the People's Republic or your friends from Taiwan and you will find the degree to which this is happening is far beyond anything we are aware of.

#### FX STUDY

Mr. MICA. The chairman was talking a little about the report that we had an opportunity to review, and it indicated a number of requests were not being turned down but they are pending. Can you tell us how many requests have been pending?

Mr. HOLBROOKE. You are talking about the arms requests?

Mr. MICA. Right.

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Mr. HOLBROOKE. I would like to yield on that point to General Graves, who is in charge of considering pending requests.

Mr. MICA. Let me tie these questions together. The number of requests pending, also the FX aircraft study I understand is supposed to be completed soon.

How soon will it be completed and will we be consulted or notified?

Mr. HOLBROOKE. May I just interrupt before General Graves gets to that question.

First, we are very well aware of the views of the Congress on the FX and they have been factored into the discussions which are still going on in the executive branch which I believe will be completed in the next few days. This gets to the point that the chairman has already raised about consultation-notification. The views of this committee and the Senate Foreign Relations Committee are very clearly expressed on this point. They are part of the process, and that does connote consultation, not notification.

Mr. MICA. Also the F-5G.

Mr. HOLBROOKE. That is the same thing.

**LT. GEN. ERNEST GRAVES, DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY, DEPARTMENT OF DEFENSE**

General GRAVES. The two proposals that have been received from aircraft manufacturers that fit the FX are the F-5G and F-16-79.

Mr. MICA. With regard to the request, were you going to comment?

General GRAVES. If we are speaking in the current time frame there was an omnibus request made last November. It was a list of 16 items. There have been about four supplementary items that have come up since then.

Mr. MICA. If I recall, they were talking about the requests.

General GRAVES. But if you are talking about reaching back to 1972, the answer to that is that there were big requests and small requests. There were hundreds of sales made during that period. Some of these responded partially to requests. I think it would be difficult without going through a list of several pages to be able to identify what specific requests were not responded to.

Mr. MICA. Do you have a list year by year of each request, what was responded to, what was not responded to, and what is still pending?

General GRAVES. That record does not exist for that period. There is such a current record but it has been established in the last 2 years.

We can provide a list of all the cases that were processed. We may be able to provide a partial but not historically complete list of those that were under consideration.

[Information is of a confidential nature.]

**PROCESS FOR GRANTING REQUESTS**

Mr. WOLFF. Would the gentleman yield.

Who makes the determination as to the request being granted or disapproved?

General GRAVES. It is an interagency process.

Mr. WOLFF. Who has the final say? Is it the State Department?

General GRAVES. President Carter's policy is that he reviews certain sales personally but for major sales to the countries of NATO, Japan, Australia, and New Zealand, the Secretary of State makes the decision.

Mr. WOLFF. How about the NSC, do they have a role?

General GRAVES. NSC has a role because an interagency process is carried on through the Arms Export Control Board. The Board includes members from State, Defense, OMB, Treasury, the NSC, and ACDA to mention the main members. The Board does not sit in plenary session, but is a set of contacts in the agencies who undertake to process the requests through the people in authority.

Mr. WOLFF. As the person responsible, however, General Graves, may I ask whether or not you feel that we have addressed the problem of Taiwan's defense adequately at the moment?

General GRAVES. I believe we have. I think the process now is extremely thorough. Whatever the criticism may be reaching back to 1972 which of course spans three administrations, really, we have—and this is an outcome of the President's arms restraint policy instituted a system for tracking all requests now and we have them before us. That is what I was referring to at the beginning, that we know exactly what Taiwan has requested.

Many of these have been responded to favorably and presented to Congress. Some are still under consideration but our commitment is to address these this year, that is calendar year 1980, and respond.

Mr. WOLFF. According to reports we have there is no input from your former Defense employees. Now, the Secretary was fairly emphatic in this. Can you give us an idea as to—

General GRAVES. In AIT-Taiwan there is a nucleus of people whose job is management of sales. There are communications all the time with AIT-Taiwan and AIT-Washington all commenting on aspects of the sales program.

So I would say that there is the opportunity for input.

Mr. WOLFF. I thank the gentleman for yielding.

#### DEFENSE ITEMS PENDING

Mr. MICA. If we can get back to the more current situation. You said there are 16 items pending right now. Can you give us an update on that and maybe I missed it between you and Mr. Holbrooke as to the FX study, when that is expected to be completed?

General GRAVES. It would be contrary to our normal approach in an open hearing to give the specifics. I would be very pleased to provide to the committee the list of these items and where they stand.

Mr. MICA. They are being actively considered and they will be approved or disapproved?

General GRAVES. Half of them have been approved and are on the way and there have been a couple that have been disapproved for good and sufficient reason, and Taiwan has been informed of this.

Mr. MICA. And there are about half left?

General GRAVES. The balance is being considered.

Mr. MICA. The last question, if I may. With regard to being approved and on their way, the report, as I recall, indicates some major problems after approval—and maybe I understand this incorrectly—

in actual shipping, delays in getting the equipment and the materials there.

General GRAVES. I think that at the time the report was prepared there was a gap in our arrangements because we normally ship by U.S. Defense transportation system all hazardous cargo and classified cargo, and we had not provided a bridge since our ships were not calling in Taiwan. We now have arrangements for suitably equipped Taiwanese and other commercial ships to call for this material and transport it to Taiwan.

So I believe that we have solved that problem although it did exist at the time the report was prepared.

Mr. MICA. Thank you, Mr. Chairman.

Mr. WOLFF. Mr. Pritchard.

#### THE WORLD MARKET

Mr. PRITCHARD. Thank you, Mr. Chairman.

I think I will ask Mr. Holbrooke, because I think it is more policy than general. These items that are requested, are these items that are on the world market if we don't supply them, are there similar things that may not be exactly the same but—

Mr. HOLBROOKE. The answer in most cases is yes, but not always.

Mr. PRITCHARD. Is it the administration's position when we have turned them down or delayed them for a long period of time, have they then gone to France or some other country to purchase these items?

Mr. HOLBROOKE. They have often explored alternative means of supply but they have not to my knowledge actually gone out and bought from other countries.

There was one particular case with the Israelis where we made it clear we would not object to Israeli sales but they did not proceed probably because they get most of their oil from Saudi Arabia, but we did not interpose any objection.

Mr. PRITCHARD. What if they can buy them on the world market, similar items?

Mr. HOLBROOKE. I am not sure they can. Many countries have been reluctant to sell. I understood your question to be: Are they available on the world market?

Mr. PRITCHARD. In other words, France and Germany and those other countries and Japan have some policies about whether they sell. Is that because they are concerned about their trading position with the People's Republic of China?

Mr. HOLBROOKE. I think that has been the major constraint.

Mr. PRITCHARD. In other words, this country is somewhat—I would not say isolated—but their sources of supply are restricted.

Mr. HOLBROOKE. That is correct. I know of no case where we would try to prevent sales from another country unless we were talking about some item which clearly involved a major destabilization such as nuclear technology.

Also I think Taiwan prefers our products because they are better quality in many cases.

Mr. PRITCHARD. That is refreshing.

General GRAVES. There is also a question of standardization. They are committed to our system and they want to add to it at the same time.

PROGRESS PAYMENTS

Mr. PRITCHARD. I have been extremely critical of us at times pushing countries into buying other people's weapons because then we lost all hold because we have no connection on the parts and I think it is a shortsighted policy, but it is no use us wailing away at that one right here.

These are all sold at commercial terms. What kind of interest rates?

General GRAVES. Progress payments. They make a down payment of 10 to 15 percent, and then they pay during the manufacture of the item and complete payment at the end.

Mr. PRITCHARD. I think that is remarkable these days. There aren't too many that deal in that fashion, are there?

General GRAVES. We like to do business with that type of customer.

Mr. PRITCHARD. I think we ought to.

Up to this point—in other words, they have restricted their sales almost exclusively to the United States?

General GRAVES. That is right. I am sure there are isolated items they have gotten from other sources but that probably has more to do with the other factors than our unwillingness to sell. In some cases it is some other equipment they know about that fits their particular need.

Mr. PRITCHARD. Thank you, Mr. Chairman.

Mr. WOLFF. Mr. Solarz.

IMPROVED RELATIONS

Mr. SOLARZ. Thank you, Mr. Chairman.

Mr. Secretary, I gather you have been fairly pleased with the way our relationship with both People's Republic and Taiwan has evolved over the course of the last 16 months since the normalization decision was implemented.

Mr. HOLBROOKE. That is an understatement.

Mr. SOLARZ. Do you think our relationship with Peking has significantly improved?

Mr. HOLBROOKE. Yes.

Mr. SOLARZ. So you think the security and economic well-being of Taiwan has been maintained?

Mr. HOLBROOKE. Yes.

Mr. SOLARZ. I notice that one of the candidates running for President this year seems to be suggesting that if he gets elected we might reestablish diplomatic relations with Taiwan.

In your judgment, what impact would a decision on our part to reestablish diplomatic relations with Taiwan have on our relationship with the People's Republic of China, and what would be its other consequences both for Taiwan and the region?

Mr. HOLBROOKE. I think it would be devastating, Mr. Solarz. A return to a recognition of Taiwan and official relationships would undermine the basic principles on which the emerging relationships between the United States and the People's Republic of China are based. The Chinese could not accept it without a response. That response would adversely affect our political and our strategic and our commercial interests and nothing would be gained for it vis-a-vis Taiwan.

As you pointed out, Taiwan's prosperity, its stability, its security have been unaffected by normalization so I find the idea of that kind of retrogression highly dangerous.

Mr. SOLARZ. That is a kind of dire prediction, Mr. Secretary. Could you indicate perhaps in more specific terms what might happen? Obviously the Chinese leadership would not be particularly pleased but in practical terms what might it mean?

Mr. HOLBROOKE. I think the People's Republic would be certain to take actions to lower the levels of the U.S. relationship. It might take the form of less cooperation and discussions in a candid manner on strategic issues. It might take the form of less trade. It might take the form of public criticisms. There might be less support in those areas where we have common or parallel interests now. It is hard to predict.

The only thing one can predict is the Chinese leadership told us without exception for the last year and a half that such action would have a profound effect on their foreign policy. I also think that it would heighten tensions in the strait. This is a separate point.

You were asking about United States-Chinese relations but I think that the reduction in tensions in the straits in the last year and a half is directly related to American policy and this would be reversed.

#### ASIAN REACTIONS

Mr. SOLARZ. How would such a decision to reestablish diplomatic relations with Taiwan be viewed by our other friends in the region's Asian countries, Japan, particularly, but also Korea as well?

Mr. HOLBROOKE. I think for the ASEAN countries it would not make that much difference. For Korea, I think Korea's primary obsession is with its own situation. For Japan it would have a profoundly negative effect.

Mr. SOLARZ. Why?

Mr. HOLBROOKE. Because Japan marched together with us down the path toward full normal relations with China and unofficial informal relations with Taiwan. If you look at Sino-Japanese relations and Sino-American relations they always went in parallel. We normalized, they signed a friendship treaty, and so on. There has been an element in Japan as there is in the country which opposes those things. If that element which opposed the things in the United States gained the upper hand in policy, it would strengthen the hand of the same people in Japan who, incidentally, are inside the LDP in Japan which means they have a different political base.

Mr. SOLARZ. Have the Taiwanese indicated at any time since the normalization decision was implemented that they would like us to reestablish diplomatic relations?

Mr. HOLBROOKE. I think they have tried consistently to get the maximum degree of officiality in the relationships. They have not stated they want a resumption of diplomatic relations per se. But I suspect they would not be adverse to it.

Mr. SOLARZ. What would be the implications of such a decision for our reputation for reliability and consistency?

Mr. HOLBROOKE. I don't think it would improve our reputation.

Mr. SOLARZ. Could it be any worse?

Mr. HOLBROOKE. That is for you to say, Mr. Solarz. Let me say I think the normalization of relations between the United States and the People's Republic is one of those rare events that deserves the

headline word "historic," and to reverse that so soon after doing it for no visible reason would be a catastrophe.

U.S.S.R.-PRC IMPLICATIONS

Mr. SOLARZ. Could it have any consequences on the future relationship between the People's Republic and the Soviet Union?

Mr. HOLBROOKE. I had not thought of that but I would not preclude the possibility. The reason I hesitate is that I think that Sino-Soviet relations run on their own engine and the Taiwan issue will not be central in that issue. That is a great historic rivalry between two continental powers that share a long border.

Mr. SOLARZ. As you undoubtedly know, however, there are a number of people including I think Mr. Kissinger, who would have argued on various occasions to the extent that if Peking loses confidence in us as a reliable opponent or as a credible superpower, their incentives to remain in a somewhat hostile relationship to the Soviet Union obviously diminish. Such an action, if it were viewed by Peking as indicating serious lack of reliability on our part, could conceivably—according to this school of thought—induce the Chinese to take a new look at their relationship with the Soviet Union.

Mr. HOLBROOKE. Everything you say is correct but the primary variable there is U.S. policy toward the Soviet Union, not toward Taiwan. I don't preclude the possibility that an action as irresponsible—and I use the word advisedly—as the one you postulate could lead to fundamental rethinking of attitudes in Peking.

Mr. SOLARZ. In your formal testimony you referred to several statements including one by Deng Xiaoping, emanating from Peking concerning the future relationship between Taiwan and the mainland. I think you said that in his latest statement he amplified on the meaning of autonomy in such a fashion as to suggest that if Taiwan agreed to reunite that they would be able not only to maintain their economy but their army and virtually complete autonomy. It seems to be a somewhat broader version than the one certain people have in mind for the West Bank and Gaza in the current negotiations which are now underway, but has there been any response on the part of the Taiwanese authorities to these suggestions, any indications that they feel they are worth exploring?

Mr. HOLBROOKE. I think that the efforts of the mainland have concerned Taiwan. I think they have worried Taiwan because in a sense it was easier for Taiwan when they faced an unrelenting opposition than now when they face a much more sophisticated and, if you will, more conciliatory attitude from the mainland.

Mr. SOLARZ. But do the Taiwanese feel there is any substance to these suggestions or do they view it merely as a tactical ploy designed to get them to lower their guard and to eventually put Peking in a position to snatch them up?

Mr. HOLBROOKE. May I ask David Dean to comment on that. I think he has had much more contact with Taiwan than I.

Mr. WOLFF. Why don't we wait on that question.

Mr. SOLARZ. I have to leave, Mr. Chairman.

Mr. HOLBROOKE. I am not qualified to give you a good answer on that question. David is, but we can discuss it some other time.



REUNIFICATION

Mr. SOLARZ. What is the Taiwanese evaluation of the Peking suggestions for reunification and second I am not interested—perhaps you can answer this, Mr. Secretary—in our evaluation of those statements.

Do we think they are serious, is there meaningful indication of a genuine willingness on the part of Peking to achieve a relationship with Taiwan which would in fact leave Taiwan pretty much as it is today, or do we see it as the Taiwanese appear, as a kind of tactical ploy designed to achieve eventual tight PRC control?

Mr. HOLBROOKE. I don't think China's long-range objective has changed. They are committed to the principle that there is but one China and Taiwan is a part of China. Their interest in actually running affairs on the island seems to have markedly diminished, and a consistent stream of statements of the sort you refer to have come out.

For example, the one I mentioned that Deng Xiaoping gave the Japanese in October of last year that they could keep their own currency, commercial ties, their own armed forces and provincial government. That is a remarkable offer and, as you suggest, does bear an interesting contrast to the word "autonomy" in other parts of the world. But do the Chinese really mean it? I don't know if we will ever get a chance to find out.

Mr. SOLARZ. Let me say I suspect that if the Palestinians were to agree to an acknowledgment of Israel sovereignty over the West Bank and Gaza that Israel's offer of autonomy would be very generous indeed.

Mr. HOLBROOKE. The Chinese basically seem more interested in the assertion of the principle than in any timetable for reuniting.

Mr. SOLARZ. From a political and diplomatic point of view do you think these initiatives ought to be responded to and pursued and do you see it as a meaningful indication of a possibility of reducing tensions and moving forward to normalization in relations between Taiwan and People's Republic of China?

Mr. HOLBROOKE. My view on that is it is inappropriate for me or any other American official to tell the Taiwan authorities and the government on the mainland how they should work out their relationships.

Mr. SOLARZ. I am not asking you to tell them. I am asking you to tell us.

Mr. HOLBROOKE. I think they might be listening.

Mr. SOLARZ. Indeed, but Mr. Secretary, when President Sadat indicated a willingness to go to Jerusalem we did not say it would be inappropriate for us to express an opinion about whether that was a salutary development.

STAYING OUT OF REPUBLIC OF CHINA-PEOPLE'S REPUBLIC OF CHINA  
RELATIONS

Mr. HOLBROOKE. I agree, but we opted out of the Chinese civil war when we normalized relations with Peking and ended our recognition of the Republic of China. At that time we stated our interest—and it has been stated repeatedly, and it is in the Taiwan Relations Act—in a peaceful settlement of the Taiwan issue by the

Chinese themselves. Any settlement that they would work out would be one that—

Mr. SOLARZ. That goes without saying. We all agree with it but the question is do we think it would be productive for the Taiwanese on their own initiative to pursue the initiatives which have been undertaken by Peking?

Do we think it would be worthwhile for them to sit down and talk with the Peking authorities?

Mr. HOLBROOK. Anything the Chinese—and I mean by that Chinese on both sides of the strait—anything they do to reduce tensions we would encourage, but we are not going to push them toward an agreement and we certainly won't discourage or inhibit one.

Mr. SOLARZ. In other words, no matter what Peking may say in terms of what they are willing to accept with respect to a future relationship or an emerging relationship with Taiwan, our policy is not to express any opinion whatsoever about those suggestions.

Mr. HOLBROOKE. I think it is very clear from my statement and my description of the positions of the two sides, that we are very encouraged by the actions Peking has taken since normalization in this regard. I understand you to say would we use American pressure to push the two toward something.

#### MEANINGFUL DISCUSSIONS

Mr. SOLARZ. Absolutely not. I think that would clearly be inappropriate. What I am interested in is your diplomatic assessment of whether these statements that you quoted are really meaningful and whether in your judgment they do hold out an opportunity for a construction relationship between Taiwan and Peking that are worth exploring. In other words, when Brezhnev said he was willing to consider withdrawing Soviet troops from Afghanistan in the context of guarantees there would not be any assistance, obliteration of forces—within 10 minutes the President and Secretary of State and the Department made a statement saying this was nonsensical.

This was not a serious offer for obvious and understandable reasons. I am asking you here your assessment. Do you think this is serious? Is it meaningful? Is it worth pursuing? Not whether we should put pressure on because I agree with you we should not.

Mr. HOLBROOKE. I think the statements are very meaningful. I don't think there is any question about it. That is why I spent so much time discussing them in my statement and in other statements and speeches I made recently.

Mr. SOLARZ. Do you think it is possible for Taiwan to work out a relationship with Peking initially involving some kinds of direct trade tourism, and other kinds of contacts, without jeopardizing the security of Taiwan and in such a way as to actually promote a reduction in tensions in the region.

Mr. HOLBROOKE. Do I think it is possible? It is certainly possible.

Mr. SOLARZ. And presumably it is desirable.

Mr. HOLBROOKE. Anything that lowers tensions is desirable.

Mr. SOLARZ. Thank you.

IMPLEMENTING THE TAIWAN RELATIONS ACT

Mr. WOLFF. Thank you, Mr. Solarz.

I would like to just comment on the discussion that has just taken place. Let me say from our experience, the subcommittee's experience with the People's Republic of China, I believe they are sincere in this effort in attempting to try to establish some sort of relationship, official, unofficial, what have you, with the people on Taiwan.

I think as well that there is concern on the Taiwan side that if they agree to any sort of relationship that it would have a serious effect upon the overall U.S. relationship with Taiwan in the future, and would undermine the very special relationship that exists today. I think that is the area that might be causing the difficulties of in some fashion, their getting together. There are unofficial contacts that are continuing that are very healthy, I think, for both sides in defusing the difficult situation that existed over the years.

Mr. HOLBROOKE. May I comment on that. I think what you are saying, what Mr. Solarz said in his earlier questions about what other candidates for the Presidency have said, all suggest the very close interrelationship between the way we implement the Taiwan Relations Act and the future of the Taiwan Strait.

If we move too far in a certain direction we would adversely affect the chances of conciliation and moderation in the strait. I think that is a terribly important point. It is particularly important to the Congress which in exercising its role, its legitimate role, has on occasion, in my view, asked for things or suggested things which I think are done out of the best of motives of helping Taiwan but in fact will not move us toward a reduction of tensions.

JEOPARDIZING UNITED STATES-REPUBLIC OF CHINA RELATIONS

Mr. SOLARZ. Mr. Chairman, if you would yield on this point.

I think the chairman raised a profoundly important point in his response to our colloquy, something I have to confess I have not heard before, to wit, the concern on the part of the Taiwanese if they were to move in a direction of normalization of their relationship with Peking that it could somehow or other jeopardize their special relationship with us, which is obviously and understandably a matter of great concern to them, and I certainly would not in any way want to encourage anything which would jeopardize that relationship.

I think the survival of a Taiwan with a good relationship with us where people are free to continue their business is in our interest. So I think it is important for you to respond to that. In fact, would any movement on the part of Taiwan to normalize their relationship with the People's Republic economically, culturally, in any way, from the administration's point of view, jeopardize our relationship with them, or would it perhaps even by reducing tensions further solidify it?

What would be the impact on this relationship with us?

Mr. HOLBROOKE. You are asking a question which covers so many different hypotheses that I can't answer it, but by raising the question you have highlighted the same point I am concerned with, which is that the Taiwan Relations Act and the special relationship between

the people of the United States and the people of Taiwan does not become an excuse or an inhibition to efforts to reduce tensions. Therefore, I think that it should be clear—I hope it can be clear—that the United States would retain a special interest and that we would continue to stand for the same things we have stood for in this relationship if they could continue to improve their relationship.

But I think Congressman Wolff raised the critical interconnection between all the issues raised by your set of questions.

Mr. PRITCHARD. Could I ask one question before he leaves. I don't mean Mr. Solarz.

HUMAN RIGHTS

Mr. WOLFF. I just want to finish one point off.

Before you leave, I think it would be important, you mentioned the question of human rights in your statement. There have been serious questions that have been raised, that have raised a tremendous amount of mail to all of our offices on the question of human rights in Taiwan. You had some questions as to a changed atmosphere. I would like you to clarify this plus the fact that I think that one aspect of this which is most important is that the admonition that was placed in the Taiwan Relations Act specifically to pay attention to the question of human rights was perhaps productive in providing for the first open trials that have been held in Taiwan and are a great step forward in opening up that society regardless of what has developed since then.

I am wondering if you can balance that off, and, since we have been talking about the human rights situation in Taiwan, would you give us some sort of report on the question of human rights as well in the People's Republic of China, because that does have an effect on both.

I think that this has been somewhat counterbalanced to some degree in the way of attention paid to particular incidents. In other words, we pay a tremendous amount of attention to the Kaohsiung incident. Are we paying the same amount of attention to them whether or not there is a deprivation of human rights of some of the dissident elements with the People's Republic of China?

Mr. HOLBROOKE. You raise a very difficult question, Mr. Chairman.

Mr. WOLFF. That is what my job is, to raise the difficult questions. We don't have to raise the easy questions with you.

Mr. HOLBROOKE. But there are hardly any questions which are more complicated than the obvious conundrum between what appears to be different standards for the mainland and for Taiwan.

Mr. WOLFF. Do you think it is right?

Mr. HOLBROOKE. Do I think it exists or do I think it is right?

Mr. WOLFF. Are there degrees of human rights? In other words, are there certain standards we are going to place on one country and not another, or on one place in the world and not another?

Mr. HOLBROOKE. I am personally very reluctant to impose our values on other societies and other cultures. I think there are certain basic principles such as freedom from torture and prolonged and unfair denial of rights by trial which are quite easy to assert. The situation in Taiwan today is a complicated one and I think in the last few months there has been a period of relative intolerance. I don't think there is any question about it.

TAIPEI REACTIONS

Mr. WOLFF. I just have been informed by staff that our questions of really the very basic delineators of human rights policy have been received fairly well in Taipei and perhaps would prompt Taipei to relax certain of the standards they have today if we could see commensurate relaxation in the People's Republic of China.

Mr. HOLBROOKE. I don't think there is a linkage, Mr. Chairman. In regard to this issue there are two totally different frameworks in which one must talk about these things. The first is some kind of absolute scale in which you measure all countries against some theoretical standards. I think even our country falls somewhat short, but clearly Taiwan and the People's Republic would fall short by our standards.

By another standard, you look at the trends. Now, the trends in the People's Republic of China since the fall of the Gang of Four has been unmistakably—and you know it yourself from your own travels to China—people are less inhibited now. They speak more freely.

Remarkable changes have come over China. These have been changes which have increased the sense of ability to express oneself.

Mr. WOLFF. You are not going to penalize one society against another for having started from a much further point along the line?

Mr. HOLBROOKE. On the contrary, I would prefer to treat each society on its own merits. In that sense, Taiwan is now in a period of relative intolerance after a period of some progress. I think the last 8 months have been a step backward after several years of progress in this area. This is based on their own criteria, not some moral absolute which, I think, both you and I would—

Mr. WOLFF. How would you be able to determine that if you are not able to examine a closed society as against an open trial?

Mr. HOLBROOKE. I am sorry.

RETROGRESSION

Mr. WOLFF. How would you be able to make that assertion if you—just suppose the trial that recently has been held in Taipei on the Kaohsiung incident as against the lack of information that comes out of the People's Republic of China. In connection with Kaohsiung—how many people do we know—we have seen I don't know how many people—

This is in response to your statement that there has been a retrogression. I personally feel that I would like to encourage Taiwan to have more open trials, to have a more open society. But if we are examining these solely on the basis of the end result, we don't know what the end result has been in the People's Republic of China because we are not informed.

I think one aspect of this is the fact they are having trials at all in the People's Republic of China is a step forward. We have seen this of recent date.

Mr. HOLBROOKE. That is just my point, Mr. Chairman. I think comparisons between Taiwan and the mainland are only part of the story. The more important part is trends within each society measured against their own recent past.

Mr. WOLFF. All I am asking you—you have made a statement that there has been retrogression in 8 months. Now, my point in posing this is the fact I think that is a very serious charge, and my own particular view is the fact that, while I do believe certain of the decisions that have been made are not according to our standards—the fact that they had an open civil trial there was a great step forward and I should like to encourage them rather than to be critical of their society based upon the decisions that were made.

Mr. HOLBROOKE. I share with you that view. But I do not believe I can deny to you my concern about the present period, which I consider less satisfactory in this regard than the several years immediately preceding it.

#### INCREASED REPRESENTATION

Mr. WOLFF. You say in your statement that the KMT has implemented policies to increase Taiwanese representation in the central elected bodies. That is part of human rights, too, is it not? Is this representation a step forward? Is it not one of the desired ends that we have?

Mr. HOLBROOKE. I think Taiwan's progress in this area has been characterized by a kind of "two steps forward, one step backward" approach over the years. Lately it has not been quite that ratio.

Mr. WOLFF. I wonder if you could furnish us for the record a statement as to your overall opinion of the human rights situation there so that we can continue to monitor this, because there is a great concern that this Congress has over the progress of human rights in all areas.

I find that, when we try specifically to delineate one particular area which is an emotionally highly charged issue, which elicits from people who are on both sides of this issue the amount of mail that we have received, I think that we have to have some hard answers for these people.

Mr. HOLBROOKE. I will be happy to.

[Mr. Holbrooke's prepared statement follows:]

PREPARED STATEMENT OF HON. RICHARD C. HOLBROOKE, ASSISTANT SECRETARY,  
BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS, DEPARTMENT OF STATE

Mr. Chairman, members of the subcommittee: I appreciate your inviting me today to review the state of relations with Taiwan one year after enactment of the Taiwan Relations Act.

In establishing American relations with the people on Taiwan on an unofficial basis last year, those of us who were concerned with Taiwan, both in the Administration and in the Congress, knew that we were breaking entirely new ground—that we were establishing a unique relationship in response to the requirements of our foreign policy as it relates to China. We could not be certain, of course, exactly how it would turn out—indeed, the purpose of these hearings is to address that very question.

We can look back with considerable pride and satisfaction at the developments of the past year as have such detached observers as the GAO Staff Team, which agreed that the unofficial system through which relations have been maintained with the people of Taiwan is working very well. We successfully accomplished the important policy objective of transferring our diplomatic recognition from Taipei to Beijing—a step clearly in our interest and long overdue—without jeopardizing the security and well being of the people of Taiwan. Even the Taiwan authorities have acknowledged that in the months since derecognition substantive relationships between the U.S. and the people of Taiwan have not suffered.

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There is abundant evidence that this policy has worked effectively: Taiwan's overall foreign trade last year increased by 31 percent over 1978 levels, while U.S. investment and two-way U.S. trade increased by 15 and 23 percent respectively.

Tensions are markedly down in the Taiwan Strait area.

Travel to the United States from Taiwan increased nearly 60 percent during 1979.

Five agreements have been negotiated and concluded between the American Institute in Taiwan (AIT) and the Coordination Council for North American Affairs. (CCNAA).

Now I would like to address myself to the four major areas of interest indicated by the Subcommittee.

#### SECURITY

The security of the people of Taiwan continues to be of concern to the United States. The Administration has affirmed this on many occasions. So, too, has the Congress—most notably in the Taiwan Relations Act. I can report to you today that a variety of political and military factors continue to render unlikely any PRC action against Taiwan.

#### FACTORS AFFECTING SECURITY OF TAIWAN

Chinese military action against Taiwan would severely damage or destroy prospects for cooperation with the United States in pursuit of our larger common interests.

The PRC's concerns with military challenges on its northern and southern borders continue to exert priority claims on its limited defense resources.

The Chinese do not have the capability to mount a successful amphibious invasion of Taiwan.

Beijing now talks in terms of peaceful reunification.

Foreign investment and trade are now being encouraged in Fujian Province (opposite Taiwan), previously closed to foreign visitors.

We continue to provide Taiwan access to selected defensive weapons and follow-on support.

In short, tensions in the Taiwan Strait area are at a 30-year low. We believe that much of the impetus for this comes from our recognition of the People's Republic of China as the sole legal government of China. As our relations with China continue to improve, the likelihood of conflict in the Taiwan Strait area should continue to recede. Nevertheless, we shall continue to monitor closely the situation with regard to current capabilities and intentions on both sides of the Strait, as well as projected future capabilities.

#### ARMS SALES

During 1979 we continued to honor previous commitments by delivering to Taiwan military equipment in the pipeline as well as spare parts and follow-on support for items previously supplied. These items included additional F-5E interceptors with improved weaponry such as precision guided munitions and Maverick missiles. Total U.S. arms sales to Taiwan in 1979—FMS and commercial—were valued at approximately \$800 million.

In light of our normalization understanding that there would be a moratorium on new arms sales commitments to Taiwan during 1979, we deferred consideration of new arms requests. In anticipating resumption of sales in 1980, however, discussions were held under the auspices of AIT and CCNAA toward the end of last year to review Taiwan's priority defense equipment needs. Taiwan's requests predictably focused on air and sea defense, particularly the need for a follow-on aircraft to the F-5.

On January 2, we sent pre-notifications to Congress for several major items in the package. The equipment approved, worth about \$280 million, included:

An additional battalion of I-Hawk anti-aircraft missiles;

An improved version of the Sea Chapparral ship anti-aircraft missile;

TOW anti-tank missiles;

A shipboard weapons fire control system along with 76 mm rapid firing guns; and

An improved electronic identification system to safeguard fighter aircraft against friendly anti-aircraft fire.

With the exception of certain high-performance aircraft, which were disapproved on the grounds of the President's arms transfer policy, none of the remaining items on the list was rejected. Taiwan has been informed that we expect to

address all other items on the list during this calendar year, and that decisions on them will be announced as they are made. (Beijing has registered continuing objections to this aspect of our relationship with Taiwan, but despite our disagreement on this point, we have been able to continue to normalize US-PRC relations.)

As you are aware, on January 4, 1980 the President decided that in certain cases the sale to foreign countries of intermediate fighter aircraft developed or modified for export would serve the national interest and would be consistent with the objectives of the arms transfer policy. Interested companies were authorized to proceed with the development of such aircraft, on the understanding that they would receive no U.S. Government funding for their development, but that the U.S. Government would not disapprove their sale on grounds that they were developed or modified solely for export. All other arms transfer policy criteria were to be applied on a case-by-case basis to proposed sales in order to ensure consistency with our foreign policy, national security and arms control interests.

Two companies subsequently submitted munitions control requests to begin discussing an FX fighter with various potential customers, including Taiwan. Decisions on those requests were deferred, however, pending completion by the Defense Department of an analysis of the effect of the FX program on U.S. military procurement plans.

We expect very soon to reach a decision, in concert with Defense and the NSC staff, concerning preliminary discussions on the FX aircraft between the contractors and potential foreign customers including Taiwan.

#### PRC-TAIWAN RELATIONS

The nature and form of Taiwan's ultimate relationships with the mainland of China are for the Chinese on both sides of the Strait to determine. It would be presumptuous for Americans to attempt to do so. Nor would we impede the process of their reconciliation.

PRC leaders have made several statements about resolving the Taiwan question peacefully. They have reiterated, most explicitly in an interview Deng Xiaoping gave to a Japanese journalist October 18, 1979, that if Taiwan were to be reunited with the PRC it could maintain virtual autonomy, keeping its own currency and commercial ties, its own armed forces, and its own provincial government. PRC statements in recent months have been consistent with this approach.

The PRC has also removed barriers to trade and communications between Taiwan and the Mainland, and proposed that such ties be developed to bring about reconciliation. The Taiwan authorities have rejected these proposals, which they characterize as merely a tactical ploy.

Nevertheless, there is in fact a rapidly growing indirect trade between Taiwan and the Mainland, mostly through middlemen in Hong Kong and Japan, and some travel is also taking place via circuitous routes. Taiwan's *de facto* policy toward trade with the Mainland has not been clear, but in general has been increasingly permissive.

Other indirect contacts take place occasionally at international conferences, sports meets, and between Taiwan and PRC students at American universities. Casual meetings abroad of Chinese from Taiwan and the PRC are increasingly frequent, whereas a few years ago they would have been avoided.

#### THE ECONOMY: PERFORMANCE SINCE NORMALIZATION

Taiwan's Gross National Product advanced 20.3 percent in current prices in 1979, to \$32 billion. Total trade with 120 partners increased 31 percent to nearly \$31 billion, and United States and other foreign investment reached a record \$329 million as compared to \$213 million in 1978.

In the first quarter of this year the total value of Taiwan's imports increased 44 percent to \$4.5 billion, of which 21 percent—nearly \$1 billion—was crude oil. Imports from the United States during the quarter—mainly farm products, fertilizer and machinery—were up 65 percent over the same period in 1979, to \$1.1 billion.

The value of Taiwan's exports in the first quarter reached almost \$4.5 billion, an increase of 34 percent over January–March 1979. The United States absorbed \$1.5 billion of the total, mainly textiles, footwear, and electronic items and electrical machinery.

Globally, Taiwan had a trade deficit (rare for Taiwan) of about \$64 million in the first quarter. It is now too early to predict whether or not the traditional trade surplus will emerge by year's end.



#### SPECIAL FACTORS UNDEPRINNING THE ECONOMY

Taiwan's broad-based economic development rests on a strong private sector and enlightened economic policies hospitable to foreign as well as domestic private investment and designed to foster high levels of savings, employment, and vital public services. The services include universal education designed to meet the needs of the economy. Budget surpluses and favorable trade balances are the rule rather than the exception in Taiwan. As a result, over the last two decades Taiwan has become a stable industrial economy. Per capita income has grown from subsistence level in the 1950's to nearly \$1,900 in 1980.

#### TAIWAN'S ROLE IN THE WORLD ECONOMY

Taiwan's economy is heavily export oriented and is overly dependent on the United States and Japanese markets, which together absorb about 50 percent of Taiwan's exports. The United States took 39 percent of Taiwan's exports in 1970 and 35 percent in 1979, but the value rose in 9 years to \$5.65 billion from \$567 million. The U.S. trade deficit was \$2.3 billion in 1979, slightly less than the \$2.6 billion in 1978. The implications of a downturn in the world economy can be seen in the worldwide recession in 1974-75: Taiwan's real growth plunged to 1.1 percent in 1974 from 13 percent in 1973, and reached only 3.1 percent in 1975.

Taiwan's GNP grew at an annual rate of 6.2 percent in real terms in the first quarter of 1980, low by Taiwan standards but remarkable by world standards. It reflects mainly soaring costs of the 380,000 barrels of oil imported each day. At present prices the year's oil bill will total \$3.8 billion, 74 percent higher than in 1979. Taiwan's growth, however, is based not only on a vibrant export sector, but also on strong consumer demand, booming housing and industrial construction, and progress on a number of railway, harbor, highway, nuclear power, and other infrastructure projects. Inflation in 1980 will be about 15 percent. Wages will probably increase an average of 20 percent.

#### PROSPECTS

Despite worldwide stagflation at present, the long term prospects for Taiwan's economy are excellent. Exports and markets are being expanded and diversified, and economic policies remain conducive to investment and development.

#### DOMESTIC POLITICS

Although there has been some intermarriage since 1949, the population of Taiwan can be roughly described as 85 percent Taiwanese—the descendants of pre-1949 Chinese inhabitants of the island. The other 15 percent are Mainlanders who crossed over to Taiwan in 1949, and their descendants. Chiang Ching-kuo appears to perceive a need to bring more Taiwanese into the political process. In the past several years, he has implemented policies designed to increase Taiwanese representation in the central elective bodies, and has appointed Taiwanese to major cabinet positions.

Most of the membership of the Kuomintang (KMT)—the ruling nationalist party—is now Taiwanese, and roughly 70 percent of the local-level party organization is Taiwanese. One-third of the members of the KMT Central Standing Committee are also Taiwanese. Nevertheless, party leadership remains heavily dominated by Mainlanders, and there is no indication that they are giving serious thought to relinquishing control. This appears to have frustrated some of the party's Taiwanese membership.

Defections from the KMT of a number of promising young Taiwanese members who later formed the core of the independent opposition have highlighted the need for party reform, and such reform has been seriously debated during the past year. Indeed, party modernization was named as one of the major policies of the KMT during the 11th Plenum of the KMT Central Committee in December 1979. However, previous efforts to reform and modernize the party have met with the stiff opposition of old-line party stalwarts.

Trends toward general political liberalization has been set back—at least temporarily—by the December 10, 1979 Kaohsiung incident, a demonstration organized by political oppositionists which erupted in violence resulting in several police injuries, and the subsequent arrests and trails. The demonstration had been billed as a human rights rally. However, a number of the rally organizers were charged during the subsequent trial with having promoted the idea of

"Taiwan independence" and with seeking to overthrow the government by illegal means. Several of the defendants responded that what they had advocated was really "Republic of China independence", which they said would simply be acknowledgement of the separation of the "Republic of China on Taiwan" from the Mainland for over 30 years.

Given the unshakable position that theirs is the legitimate government of all of China, including Taiwan, the idea of a Taiwan separate from the Mainland (de jure as well as de facto) is totally unacceptable to the KMT leadership. Eight of the demonstration organizers (all Taiwanese) were tried and convicted of sedition, and given prison terms ranging from 12 years to life. Thirty-two others have been tried and convicted of lesser charges stemming from their involvement in the demonstration.

In a separate development, Kao Chun-ming, Secretary General of the Taiwan Presbyterian Church, and nine others were arrested on charges of harboring or failing to report one of the rally's organizers who temporarily eluded arrest. The military court, which conducted a public trial last month, sentenced Kao to 7 years imprisonment. Four received suspended sentences and the other sentences ranged from 2 to 7 years. Although the authorities have stated that Kao's was purely a legal matter, concerns have been voiced in the United States and in Taiwan that his arrest and trial may have been prompted by a desire of the authorities to tighten control over the Presbyterian Church.

We have watched these developments closely, and have been mindful of the human rights interests embodied in the Taiwan Relations Act. AIT has kept CCNAA informed of our views, and how seriously these developments have disturbed church and other groups in the United States.

Looking ahead, it should be noted that the KMT Central Standing Committee presided over by Ching Ching-kuo, as well as the Executive Yuan, decided on June 5 to hold by the end of this year the supplemental central parliamentary elections suspended in December 1978. High officials have recently stated in public that the number of seats to be contested in these elections—seats in the Legislative Yuan, Control Yuan and National Assembly—will be increased, and a decision on the size of the increase is expected to be announced soon.

Over the long term, stability on Taiwan will depend on several interrelated factors: the strength of the economy and its growth rate, confidence in the new relationship with the United States, Taiwan's overall defense posture and the level of tension in the Taiwan Strait area. We believe that, in spite of occasional setbacks, the long-term trend continues to be toward broader and more genuine participation of all elements of Taiwan society in the political process, and we see this as a healthy development.

#### THE AIT-CCNAA RELATIONSHIP

The formula for non-governmental relations with the people of Taiwan, established in the Taiwan Relations Act, has afforded us the flexibility to deal with problems cooperatively and imaginatively. The American Institute in Taiwan (AIT) has proved its effectiveness over this past year.

Through AIT:

Americans and the people of Taiwan continue to enjoy access to travel services which allow them to travel between the United States and Taiwan to conduct business, pursue academic work and engage in other fields of mutually beneficial cooperation;

Businessmen on both sides continue to receive assistance, advice and facilitation; Americans are able to maintain mutually beneficial relations with Taiwan on an unofficial basis in such fields as nuclear energy development, scientific cooperation and air transport;

Sales of defensive equipment are arranged; and

Our views and concerns on human rights, as well as those of Members of Congress and the American public are transmitted to the authorities on Taiwan.

It is essential, in terms of our overall China policy, that we protect the basic understanding which made normalization possible. To that end, we have striven to maintain both the fact and the appearance of unofficiality in United States-Taiwan relations. This has led to restrictions on travel and access to government officials, and administrative procedures which some find cumbersome and inefficient. I would prefer to describe our attitude on such matters as pragmatic; we look at each case on its merits.

When we normalized relations with the People's Republic of China, we believed it essential that our existing agreements with Taiwan continue to be respected in

Taiwan and to have validity under the law of the United States despite the withdrawal of recognition. Therefore as you know a Presidential Memorandum was issued on December 30, 1978 which stated that "existing international agreements and arrangements in force between the United States and Taiwan shall continue in force." The Administration welcomed the addition of Section 4(c) of the Taiwan Relations Act, which approved the continuation in force of such agreements "unless and until terminated in accordance with law" because that provision further removed any doubt about their continuing validity. This treatment of existing agreements by the Administration and Congress stands in contrast to that of most other nations, which considered all their agreements with Taiwan to have lapsed upon recognizing the PRC.

Nonetheless, our relationship with Taiwan is not static. As Assistant Secretary Atwood said to Chairman Zablocki in his letter of October 30 1979, some of our agreements with Taiwan will expire, perhaps calling for replacement with new agreements; some will require changes or updating; and others, having completed their purposes, will become obsolete. As circumstances change, agreements on subjects not now covered by agreements may be required. I want to emphasize that we do not have a policy to replace or terminate all of the treaties and agreements we maintain with Taiwan. Each agreement, as the circumstances require, will be considered on its own merits, on a case-by-case basis.

As to the question of privileges and immunities, AIT gave CCNAA a draft agreement in September last year, and the subject has been under consideration by the two sides since then. CCNAA responded in November and again, with a new draft, in April of this year. AIT proposed slight modifications in a meeting with CCNAA on May 22. CCNAA has not yet responded to the latest proposals. If any differences remain, they should be very minor; we believe that agreement will be reached soon. In the meantime, the two sides have extended functional privileges to allow for effective operation of the two organizations.

All of those who have been concerned with our relations with Taiwan—including both the members of this Subcommittee and people in the Administration—can, I believe, derive much satisfaction from the experience of the first year of the new relationship. The first year should also provide reassurance to the people on Taiwan that they will not suffer from the new arrangements. This is a most successful beginning to an important new chapter in our overall China policy; we can all be justifiably proud. I appreciate the interest this Subcommittee has shown in Taiwan affairs this past year, and I look forward to working with you on this and other subjects over the coming year.

I will be happy to answer any questions the Subcommittee may wish to ask.

Mr. WOLFF. Mr. Pritchard.

Mr. PRITCHARD. I think we have thrashed long enough on this.

Mr. WOLFF. Thank you very much, gentlemen.

Our next witness is Mr. David Dean. We thank you for coming before our committee. I should like to ask if you could identify the gentleman who is with you.

**STATEMENT OF DAVID DEAN, CHAIRMAN OF THE BOARD AND  
MANAGING DIRECTOR, THE AMERICAN INSTITUTE IN TAIWAN**

Mr. DEAN. Thank you, Mr. Chairman. My colleague, Mr. John Connolly, is the treasurer of the American Institute in Taiwan. I have asked him to come with me in the event you have any questions on our administration of the institute.

If I may, I will just summarize, then, my testimony.

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before you today. The American Institute in Taiwan—AIT—has been in existence for over 1 year. In accordance with the Taiwan Relations Act, the institute has sought to preserve and promote close and friendly commercial, cultural and other relations between the people of the United States and the people on Taiwan on a nongovernmental basis. AIT has also carried out a wide variety of negotiations, agreements, programs and other transactions with Taiwan.

#### AIT RUNNING SMOOTHLY

The General Accounting Office study on the American Institute in Taiwan operations concludes that, after an uneasy start, the mechanism for unofficial contacts is functioning fairly smoothly. What is more important, however, is the fact that trade between Taiwan and the United States is increasing; so is United States investment in Taiwan.

Cultural exchanges are growing, more tourists from Taiwan are visiting the United States, defensive arms sales are continuing and various relationships such as air transportation, shipping, scientific exchange and others are also increasing. Depending in part on future economic conditions, the trend in these relationships is encouraging.

As you know, AIT receives most of its funding through a contract with the Department of State, and the Department receives these funds through a line item in its appropriation from Congress. Our contract with the Department has been extended until June 30. Both sides are working on a contract revision, which should be ready in the near future.

#### AIT AGENCY AGREEMENTS

Over the past year AIT has entered into several arrangements with various departments and agencies. These include:

An agreement with the Department of Energy whereby AIT performs functions necessary to implement uranium enrichment services contracts with Taiwan;

An agreement with the Department of Defense whereby AIT signs letters of offer and acceptance for approved foreign military sales to Taiwan;

A memorandum of understanding with the Department of Agriculture; and

An agreement between AIT and the Export-Import Bank delineating the actions AIT will take on behalf of the Bank in connection with transactions to be financed by the Bank which involve the export of goods and services to Taiwan.

We anticipate that arrangements will also be concluded in the near future with the National Science Foundation and the Federal Aviation Administration, and we are studying the desirability of similar arrangements with other departments and agencies.

We have also negotiated several agreements with our counterpart organization, the Coordination Council for North American Affairs, including an air transport agreement, amendments and modifications to the textile agreement, orderly marketing arrangements on footwear and TV receivers and an agreement on transferring defense property relating to the termination of the Mutual Defense Treaty.

In addition, AIT and CCNAA have initiated negotiations on agreements concerning scientific cooperation, safety of life at sea, nuclear cooperation and privileges and immunities to which employees of AIT and CCNAA are entitled.

#### COMMERCIAL GOALS

AIT's primary effort in both Washington and Taiwan has been to promote United States business interests. Our principal commercial goals are:

To increase sales of American goods and services to Taiwan;  
To enlarge the United States share of the Taiwan market;  
To provide information and services to United States firms interested in trading with and investing in Taiwan; and  
To encourage the removal by Taiwan of restrictions which discourage imports from the United States.

AIT has sponsored a number of trade promotional campaigns, including supporting exhibits at our trade center in Taipei and assisting specialized trade missions. Our Washington staff, in speeches to many business groups, has tried to stimulate more interest in selling United States goods to Taiwan.

Last year the trade center had six exhibits in Taipei. The 120 American firms which participated reported substantial immediate sales and excellent future prospects.

In March of this year our trade center staged a major offsite exhibition, called AMPRO 80, in Kaohsiung. This was the first of its kind in that major industrial center, which is in the southern part of Taiwan. It featured products of 86 U.S. firms. Nearly 15,000 Taiwan businessmen attended. Almost \$8.5 million in off-the-floor sales were recorded and the forecast is for an additional \$50 million within this year.

The Institute has worked very closely with the United States-Republic of China Economic Council, chaired by former Secretary of the Treasury David Kennedy. The Council includes as members many firms and financial institutions which have important trading and investment relations with Taiwan.

AIT officials have participated in the Council's annual conferences and in special programs sponsored by the Council, including the annual conference sponsored by the United States-Republic of China Economic Council in Taipei on May 26-28, 1980.

I think the business community finds AIT useful. In a recent symposium on doing business with Taiwan in our headquarters here, William Morell, president of the United States-Republic of China Economic Council, and Robert Parker, president of the American Chamber of Commerce in Taiwan, both said the Institute was doing a good job in helping American businessmen.

#### EFFECT OF TRA

Of course, even more important to business is the Taiwan Relations Act, which has alleviated concerns that derecognition would harm United States business. Thanks to the act, this has not been the case. As I have mentioned and as you have heard from the GAO report, U.S. trade and investment have increased substantially.

Termination of United States diplomatic relations with Taiwan has not resulted in any diminution of our cultural relations. On the contrary, we have over 500 students from the United States studying in Taiwan and we have about 100 American professors teaching in Taiwan universities. The number of Taiwan students studying in the United States is now up to approximately 25,000.

American universities are supporting several language study programs in Taiwan and more than 20 universities and associations have exchange agreements with counterpart organizations there.

A major problem which faced AIT when its Taipei office was opened on April 15 last year was the large backlog of visa applicants. AIT was able to eliminate this backlog and to reduce con-

siderably the time required to process applications. Businessmen now receive their visas 1 or 2 days after their applications are received.

The travel services section of the AIT office in Taipei also performs other services. I believe that the Institute is the only private U.S. corporation which has the authority to appoint special notaries. These special notaries are AIT employees who have been specifically designated and commissioned by the Institute to perform notarial services in Taiwan.

#### HUMAN RIGHTS

Another responsibility contained in the Taiwan Relations Act has been section 2(c), which states in part that "The preservation and enhancement of the human rights of all the people on Taiwan are hereby reaffirmed as objectives of the United States."

The Institute has kept CCNAA informed about the concerns expressed by individual Congressmen, private citizens and religious groups about developments in Taiwan. In addition, AIT observers have attended and reported on the trials growing out of the December 10, 1979, Kaohsiung riots. The trials were open and the defendants were represented by lawyers of their own choice.

Recently AIT's Washington office has been the recipient of a voluminous letter campaign of several thousand letters mailed in the United States focusing on the trials and sentences of those convicted of participation in the Kaohsiung riots. Supporters of those convicted have requested the halt of United States arms sales to Taiwan until more progress toward human rights is achieved.

Many others have defended the verdicts and have urged the continuation of arms sales. They have criticized the Kaohsiung rioters as a small radical minority which seeks to overthrow the Government.

In a related development during the period under review, AIT has received numerous visits and letters from several church groups in the United States protesting the arrest of Reverend C. M. Kao, general secretary of the Taiwan Presbyterian Church. Dr. Kao was arrested and tried with others in a military court for harboring one of the Kaohsiung riot defendants who escaped from the police. Dr. Kao was recently sentenced to 7 years' imprisonment but this verdict is subject to appeal.

With the experience gained during our first year of operations, I am confident that the American Institute in Taiwan is better prepared to pursue its many responsibilities under the Taiwan Relations Act with even more prospects of success in the future. Thank you, Mr. Chairman.

#### AIT WORKING WELL

Mr. PRITCHARD. Thank you very much. Let me ask several questions. If I had to summarize your statement, certainly the tone of your statement is that the Institute is working well, that the relations between the United States and Taiwan is on a good course and that the number of the things that people were worried about have not come to pass.

Mr. DEAN. I think that is correct. There was, as we all know, a great deal of apprehension last year, particularly at the time the

Taiwan Relations Act was being debated in the Congress. The American business community was also very much concerned at that time, too, and made its views well known to Congress.

I think those concerns and the concerns indeed of Congress have been alleviated over the past year by the success of the new relationship. Of course, there have been problems, but most of those problems have been overcome. I think things are definitely on an upward trend. As we gain more experience and as our style improves, I think we can look forward to an even smoother relationship in the future.

Mr. PRITCHARD. We went in about 5 days after Mr. Christopher had been pelted with eggs and stones or whatever there was and we had a meeting with the American businessmen. They were terribly emotional and upset if I remember right. I think Mr. Parker was chairman of the chamber, and people were standing up making dire predictions in fear that the whole thing was coming to a crashing halt. So we know that, and trade has continued.

#### IMPORTANCE OF ARM SALES

What is the No. 1 way that we are judged as far as our determination to maintain friendship? Is it the arms sales that is the bottom line?

Mr. DEAN. I think it is a very important factor.

Mr. PRITCHARD. I didn't mean so much the businessmen. I am talking here about Taiwan officials.

Mr. DEAN. I understand that. I think that many sectors of the society in Taiwan look upon the arms sales as a sort of litmus test of United States interest in Taiwan. So I think that your observation is correct. It is one of the most important things. Of course, I cannot say that trade is not important.

Mr. PRITCHARD. I understand that, but it is sort of a security blanket or whatever we look to. The arms sales are a key part.

Is there any evidence that the People's Republic of China is involved at all with the dissidents in Taiwan, do you know?

Mr. DEAN. There were some initial accusations during the trial of the Kaohsiung defendants that one of the defendants had had some dealings with the People's Republic of China. I am not personally aware of any extensive involvement by the People's Republic of China in Taiwan's internal affairs. Of course, as has been discussed here earlier this morning, the People's Republic of China has made several overtures toward Taiwan on a public level.

Mr. PRITCHARD. I understand that but I just wondered if you knew of any evidence or whether there was any pattern there of people from the mainland cooperating with those who are unhappy with the present regime.

Mr. DEAN. I suspect there is concern in some quarters in Taipei.

Mr. PRITCHARD. They were predicting that but I wonder if this has come to pass.

Mr. DEAN. I have no evidence to substantiate that.

#### REPUBLIC OF CHINA REACTION TO UNITED STATES HUMAN RIGHTS POLICY

Mr. PRITCHARD. How would you characterize the attitude of the Government on Taiwan toward the so-called human rights policy of this Government?

Mr. DEAN. I would have to say that they look upon it with some degree of resentment, I think, and they feel that it is unfair, discriminatory perhaps. They try to describe their own situation by saying that the two communities, the Taiwanese and the mainlander community are both in the same boat. They say they feel they must have a rule of law, that they cannot just abdicate their responsibility and allow riots or whatever political disorder to continue.

On the other hand, they also realize that they can't go to the other extreme of total suppression. I believe that it is the policy of the authorities in Taiwan to move towards greater participation of the Taiwanese in the political process.

Mr. PRITCHARD. You feel that it really is a desire?

#### REPUBLIC OF CHINA ELECTIONS

Mr. DEAN. I think so. I think they recognize the desirability of this move. There are to be elections toward the end of this year.

Mr. PRITCHARD. These are local?

Mr. DEAN. These elections are for the central government organs for the legislative yuan and for the control yuan and, according to some reports, the positions available for Taiwanese to be elected to these bodies will be doubled.

Mr. PRITCHARD. Doubled from what?

Mr. DEAN. There is one report that say that the number of openings for candidates from Taiwan will increase in the legislative yuan from 52 to 96.

Mr. PRITCHARD. Out of a total of what?

Mr. DEAN. The total number, I am sorry, I don't have for you now. The legislative Yuan members were elected in 1947 and 1948. The total number of legislative Yuan members in 1980 will be 412.

Mr. PRITCHARD. I stood on that balcony and what shocked me was that they still have those seats from those provinces or whatever they call them all over China. It is hard to believe.

Mr. DEAN. Many of the members have passed away and others—

Mr. PRITCHARD. How are they replaced?

Mr. DEAN. They have not been. There have been some alternate members who have taken their places. But I would have to get you the exact number if I may.

Mr. PRITCHARD. It seems to me almost a charade, having people representing those provinces on the mainland in their legislative yuan.

Mr. DEAN. Not really, because the Government in Taiwan considers itself to be the legitimate government of all of China.

Mr. PRITCHARD. I understand that, but how do they arrive at a person to sit in one of those seats?

Mr. DEAN. The present elections are to give Taiwan itself greater representation in those bodies, so this means that more people from the Taiwanese community will be elected to the legislative Yuan.

Mr. PRITCHARD. How do they work it out? They just had to have a whole lot of those people die that were in that legislative body. Now, once they die, who takes their place and on what basis?

Mr. DEAN. There have been some alternative candidates elected at the same time. Those people also have taken some of the vacant places.

Mr. PRITCHARD. Who votes for somebody for, say, one of those areas in China, there and Taiwan? We have this legislative body filled up.



How do we vote? Do people on Taiwan now vote to fill that person's—

SEATS IN THE YUAN

Mr. DEAN. The votes now are solely to fill the Taiwan quota of the legislative yuan. They are not voting to fill the mainland province seats.

Mr. PRITCHARD. So some of those must be vacant?

Mr. DEAN. Yes, or at least decreased.

Mr. PRITCHARD. It has been 31 years.

Mr. DEAN. It has been quite a long time.

Mr. PRITCHARD. I doubt if I would last 31 years from now. It made an impression on me when I stood on the balcony and looked down on that legislative Yuan and saw all these seats and realized they were all seats from the mainland, and it has been 30-odd years, and somehow we have to get back to reality.

They are going to move, you say, between 50 and 80—

Mr. DEAN. Probably. One newspaper report suggested that the numbers would go up from 53 Taiwanese to, I believe I said, 96.

Mr. PRITCHARD. That will still not be a majority?

Mr. DEAN. Oh, no. It will not be a majority, but it will be a significant increase in the Taiwanese representation. This is, I believe, what the Government is trying to do.

Mr. WOLFF. But say 5, 6, 8 years from now, won't almost all those people be gone?

Mr. DEAN. Perhaps.

Mr. PRITCHARD. What are the ages of the people that sit in that body?

Mr. DEAN. Many are in their seventies and eighties, but 5 or 6 years from now I would presume there would be an even larger representation from the Taiwanese community itself.

Mr. PRITCHARD. Are there representatives, like we here in Congress? Are there perks and advantages and position and title?

Mr. DEAN. I believe so, sir.

Mr. PRITCHARD. That is very hard to take away from people.

Mr. DEAN. It is very similar.

Mr. PRITCHARD. It is amazing how hard people fight to hold onto that, even here in America. Those cannot be passed down from one person to another in a family respect, can they?

Mr. DEAN. No, they cannot.

Mr. PRITCHARD. Is there pay?

Mr. DEAN. Yes; they get a certain modest salary and there are other perks.

Mr. PRITCHARD. Are there titles? What do they call them?

Mr. DEAN. They are legislators, members of the Legislative Yuan. They are formed in the same type of committees as the Congress is.

Mr. PRITCHARD. They sit on all those committees, those different ones. That is difficult. Everybody wants progress but nobody wants change. I doubt they want change.

How dependent is the ruling government on these legislators? How much control does the legislative body actually have on the Government?

Mr. DEAN. I think it acts as a check and balance. The Executive Yuan, the central part of the Government, has to pass its laws or

proposed laws through the Legislative Yuan. The Legislative Yuan on many occasions has been highly critical of Government actions.

Mr. PRITCHARD. Of the executive branch?

Mr. DEAN. Yes. I would not say their power is as equal to the executive as that of the Congress.

Mr. PRITCHARD. It would look then like the central government has a problem in making this transition. They have to take a whole lot of undoubtedly wealthy, established and important people in their country and take away their titles and take away their positions as far as a formal position?

Mr. DEAN. Either that, or they are allowing Time to resolve—

Mr. PRITCHARD. Allowing them to all die off. Well, 31 years—that is an amazing situation.

#### TRADE ISSUES

Do you see any way that in the immediate years that Taiwan is going to go backward in its trade, or is there some storm warning on the horizon here that we should recognize, that everything is not as rosy as we might think?

Mr. DEAN. They will be affected by the same factors that affect us, by the high cost and growing cost of oil. They have to import all of their oil.

Mr. PRITCHARD. Where do they get their oil from?

Mr. DEAN. The Middle East, Kuwait and Saudi Arabia, but they are trying to shift into nuclear power. They are trying to get a mix, which will be 30 percent nuclear, 30 percent coal, and 30 percent oil.

Mr. PRITCHARD. They have coal on the islands?

Mr. DEAN. Very little. They have to import most of their coal, so they are in a difficult position in terms of energy. That is why they are trying to go toward a higher nuclear mix. They are also affected by the inflationary factors, by the high cost of raw materials and other materials; they are affected by recession, for instance, in our market, but in spite of all of these problems which they confront and which indeed other countries confront, too, it seems to me that they are in a better position to ride out the recession here—and higher oil prices.

Taiwan's economic planners exhibited their ability during the 1973-74 recession, when Taiwan's economic growth rate dropped sharply, but they were able to recover in just about 2 years' time.

Mr. PRITCHARD. They let the price just get—

Mr. DEAN. They had to.

Mr. PRITCHARD. They absorbed it but did the Government absorb it, or did the market absorb that increase?

Mr. DEAN. To a large extent the Government had 10 major projects, construction projects, going at that time. The huge seaport, big steel plant, a shipyard, and these helped to employ the people and keep the economy going.

Mr. PRITCHARD. What I meant was, as far as the price, did they have a managed price or do they let the market set the price?

Mr. DEAN. It is a managed price which reflects the cost of oil to Taiwan.

Mr. PRITCHARD. What is the price of a gallon of gas?

Mr. DEAN. It has just gone up by a large percentage, because oil import prices have gone up. I don't have the exact figure, but I can get it. [65 cents a liter.]

SUCCESS OF AIT

Mr. PRITCHARD. I think all of us are pleased that the institute has worked as well as it has. It may not be quite as rosy as you painted it, but the factors all look pretty good and the bottom line looks good.

Certainly, the predictions we got when we were over there have not come to pass. Business people predicted to me investment was going to fall off and a whole series of things was going to happen because of this.

Mr. PALMER.<sup>1</sup> As you are aware, this is the first of two hearings and we will have the benefit of Mr. Dean returning at our next hearing.

Mr. PRITCHARD. We are going to make him do this again?

Mr. PALMER. No. The staff suggestion I was going to make—he is well aware it is not all peaches and cream and he will be prepared either today or next hearing to outline some of the problem areas with constructive suggestions.

This will tie in with Mr. Fasick's GAO report.

Mr. PRITCHARD. I appreciate what you have been doing. I am sure it has been a very interesting process, being the first person to take on that Institute job, and I think we all owe you a debt of gratitude for establishing it and fighting your way through the early agency. I know it wasn't easy going during the early time.

I had some problem with visas and things that had been backed up.

Mr. Dean. It has been difficult and very unique, but I do appreciate your words very much and I do think some progress has been made.

I am sure there are other areas in which we can really make progress in the future.

As far as the American businessmen are concerned, I was in Taiwan just 2 weeks ago for the annual United States-Republic of Korea Economic Council meeting, and I met with many American businessmen, and Chinese businessmen, too. I think that they are very optimistic, in spite of the economic problems which we have just discussed.

Taiwan's economic projections for the next several years are remarkable. Total trade, exports and imports, for Taiwan in 1979 was in the neighborhood of \$31 billion. That is projected to go up in the next 10 years to over \$200 billion at current prices. The annual growth rate of Taiwan's gross national product is projected at approximately 8 percent for the next decade.

DEFENSE SPENDING

Mr. PRITCHARD. Do you know how much their percentage of gross national product goes into defense?

Mr. DEAN. I don't have that figure. [Currently about 11 percent of GNP goes into defense expenditures. This percentage may increase as a result of current and anticipated military purchases from the United States.]

Mr. PRITCHARD. I would like to get that, to see what that is. I think somewhere down the road it may be necessary for some type of defense structure and I don't think it is impossible that some day it will include Taiwan and People's Republic of China and Singapore

<sup>1</sup> Staff director, Subcommittee on Asian and Pacific Affairs.

and Japan and everybody, and Taiwan at some point will have to pay its share.

Mr. DEAN. Taiwan per capita income is moving up very sharply.

Mr. PRITCHARD. It is next to Japan.

Mr. DEAN. Next to Japan. I am not positive about Singapore. It might come just after it, but for 1979 the per capita income was in the neighborhood of \$2,000. It is projected by the end of this decade to exceed \$6,107 per capita.

Mr. PRITCHARD. Good.

Mr. DEAN. So it really is rising. Projections are very good.

Mr. PRITCHARD. Thank you very much. We appreciate it.

With that in mind, we will adjourn.

[Whereupon, at 12:25 p.m., the hearing was adjourned, subject to the call of the Chair.]

## IMPLEMENTATION OF THE TAIWAN RELATIONS ACT

TUESDAY, JUNE 17, 1980

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS,  
*Washington, D.C.*

The subcommittee met at 2:05 p.m. in room 2200, Rayburn House Office Building, Hon. Lester I. Wolff (chairman of the subcommittee) presiding.

Mr. WOLFF. The subcommittee will come to order. There are a number of members who are coming to this meeting, but we have also had a new factor introduced into the meeting schedule today, and that is the visit by King Hussein which takes place at 2:45. So, in line with that, we will proceed with this hearing and recess at 2:45. Either we will come back to this hearing today, or some arrangements will be made to follow on at a later point.

The Subcommittee on Asian and Pacific Affairs, in accordance with section 14(a) of the Taiwan Relations Act, resumes its oversight hearings on the implementation of the TRA.

Last Wednesday, the Honorable Richard Holbrooke, Assistant Secretary of State for East Asian and Pacific Affairs, Mr. David Dean, Chairman of the Board and Managing Director of the American Institute of Taiwan, appeared before this subcommittee.

Let me briefly summarize the testimony given by the witnesses:

1. The TRA is an effective legal framework for the conduct of unofficial relations between the United States and the people on Taiwan.
2. Derecognition notwithstanding, substantive relations between the United States and the people on Taiwan have not suffered under the TRA.
3. Taiwan's economy and the United States-Taiwan trade have continued to grow under TRA.
4. The administration announced that it would shortly reach a decision regarding the possible sale of the FX fighter to Taiwan—I would note that the decision was announced on the day following our hearing.
5. Any decision to restore diplomatic relations with Taiwan would, in the words of Mr. Holbrooke, have a "devastating effect" on United States foreign policy interests in Asia and on our relations with the People's Republic of China.

As the subcommittee previously announced, these hearings will focus on four major areas of concern: One, the security of the people on Taiwan; two, the Taiwanese economy; three, domestic-political conditions on Taiwan and, four, the functioning of the AIT-CCNAA relationship.

Our hearing today will address the latter two concerns: domestic political conditions and the AIT-CCNAA relationship.

As you may know, the subcommittee has pending before it two resolutions relating to domestic political conditions on Taiwan and United States-Taiwanese relations: H.R. 603, introduced by the Honorable Pete Stark of California, and H. Res. 616, introduced by the Honorable Jim Leach of Iowa. Mr. Stark is unable to attend today's hearing but I have a statement that, without objection, will be included in the record at this point.

[The statement of Hon. Pete Stark follows:]

STATEMENT OF HON. PETE STARK, A REPRESENTATIVE IN CONGRESS FROM THE  
STATE OF CALIFORNIA

Mr. Chairman, I had one concern in mind when I introduced my resolution, House Resolution 603, the political and human rights of the people who live on Taiwan.

I strongly believe that our Government should not seek to impose our form of government on other peoples or nations. But an important corollary of that belief is that our Government should not undermine or restrain the impulse for democratic self-government present in all peoples.

For this reason, all U.S. military assistance to authoritarian regimes deserves close scrutiny.

We sell arms to the national government on Taiwan. That government is an authoritarian government. Its human rights stance deserves careful monitoring, and, of course, congressional oversight is mandated by the 1979 Taiwan Relations Act.

We also have before us the standard laid down in section 502B of the Foreign Assistance Act. No security assistance, including sales, is permitted "to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights."

That is, a government engaging in "torture or cruel inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, and other flagrant denial of the right to life, liberty, or the security of person."

The question for the Congress is, Does the Government on Taiwan systematically violate these internationally recognized human rights norms? The question is not, Are there other governments that engage in more flagrant violations of these norms? In no way can the human rights record of the People's Republic of China justify human rights violations that occur on Taiwan. The danger is that by turning a blind eye toward Taiwan's rights violations, we shall drive the people of that land into the arms of the autocrats ruling mainland China.

May I suggest that the past human rights record and practices of the Kuomintang—KMT—and recent evidence stemming from the Kaohsiung case make a close look at the human rights situation on Taiwan imperative.

Lin Yi-hsiung is one of the "Kaohsiung Eight." A non-KMT Taiwan Provincial Assembly member, Lin was sentenced to a 12-year prison term by the military court that tried the Kaohsiung riot case. While Lin was in jail awaiting charges, his mother and twin daughters were murdered.

Recently, the text of a seven page letter written on February 25, by Mr. Lin—the murders took place February 28—was smuggled out of Taiwan. It describes Lin's treatment during interrogation that lasted from December 13, 1979, to the end of January 1980. Lin and the others were indicted on February 20. Here is a summary of Lin's letter:

Six interrogators took turns questioning me. One of them was usually responsible for beating me. During the more than 40 days of interrogation, they asked me the same questions over and over again. Their assumption was that Formosa magazine had been set up with the intention to overthrow the government, and it was their (the interrogators') job to force me, as a member of the staff of Formosa, to confess to that basic premise.

At the beginning of the interrogation I was not allowed to sleep at least for three full days. Then they beat me whenever they did not like an answer I gave them. The beating was so severe that finally I gave in and confessed to whatever they told me. After several days and nights of interrogation, I was allowed to sleep for a few hours, but then they started beating me again because I could

not answer their questions. They wanted me to confess to things that had never occurred.

Particularly during the first ten days they beat me everywhere: on the chest, the back, stomach and head. They also kicked my legs and abdomen. They put burning cigarettes in my face, and threatened to take me to the basement for even more severe torture. After about ten days of this they prepared a statement for me to sign: it said that I made a speech at the Kaohsiung rally, and that in that speech I incited the crowd. This was a big joke: I did not make any speech at Kaohsiung and the tape recordings can prove that.

I can remember the following threats: (1) If you don't confess, then we will continue to beat you. If we beat you to death, then we will say you committed suicide. (2) If you don't confess we will pull out all your teeth. (3) If you do not cooperate we will label you a communist.

I was alone in a state of horror and hopelessness. I could not see my family nor my friends. I was completely isolated from the outside world: I was not allowed to write or receive letters, nor was I allowed to listen to the radio or read the newspapers. I was exasperated and finally just signed the statements they had drafted. I completely gave up, and only hoped that they would torture me less.

Testimony heard during the trials also makes clear that the confessions at the heart of the government's cases were not voluntary. The court simply took the word of the Ministry of Justice Investigation Bureau—the interrogators—that the confessions were properly obtained.

Now the Rev. Kao Chun-ming, General Secretary of the Presbyterian Church on Taiwan has been sentenced to 7 years imprisonment for harboring one of the "Kaohsiung Eight" Shih Ming-teh following the incident. This is another restriction the government has placed on the Presbyterian Church, primarily because of the Church's support of human rights and its outspoken encouragement of political opposition.

A recent article in the Far Eastern Economic Review—May 23, 1980—illustrates the continued lack of political and social freedoms on Taiwan and the recent renewal of government authority over every aspect of life on Taiwan.

#### THE CHURCH UNDER FIRE

THE TRIAL OF A LEADING CLERGYMAN AND NINE CO-RELIGIONISTS IS SEEN BY SOME AS A REPRISAL AGAINST THE PRESBYTERIANS

(By Bob King)

TAIPEI.—It was a statement of belief and personal spiritual responsibility, openly in conflict with civil authority. "As a Christian, one should not betray a person who has asked for help, and should sacrifice oneself rather than betray that person," said the Rev. Kao Chun-ming, general secretary of the Presbyterian Church in Taiwan. Along with nine other local Christians, he was recently put on trial before a martial law court on charges of harbouring and aiding the so-called mastermind of the Kaohsiung incident, Shih Ming-teh, during his flight from the authorities in December and January (Review, Apr. 25).

Other defendants also openly admitted helping Shih, but all denied knowledge that he was being sought on sedition charges—a key point, since conviction on a charge of harbouring a "seditious criminal" carries a sentence of from 10 years to life. (On the other hand, according to a recent newspaper report, a taxi driver who tried to help the escape of someone who had attacked a policeman with a knife received only five months.)

In Taiwan the Presbyterians are regarded in some quarters as a serious threat secular authority. Much is made of a 1977 declaration on human rights in which the church called on the government "to face reality and to take effective steps whereby Taiwan may become a new and independent country." Such attitudes are directly opposed to a national policy which sees the communist rulers of China as rebels who sooner or later will be put down, and their acceptance may bring to an end the Kuomintang (KMT) domination of Taiwan's ruling and policymaking bodies.

Government authorities question the right of a religious organization to dabble in politics while churchmen see the Presbyterian's position as nothing more than the logical extension of the Christian creed of concern for one's fellows, and an articulation of "the relevance of the Christian Gospel to daily life in this society."

Some observers see the arrest and trial of Kao and the others as the latest in a series of reprisals against the Presbyterian Church, which since 1865 has been

actively propagating its faith in Taiwan. They point to an incident in which Bibles printed in local languages using romanised script were confiscated, and in particular to the draft by the government of proposed new regulations for the supervision of shrines and temples as examples of earlier and continuing harassment.

Although government spokesmen insist that the new religious law is not aimed at any particular body, it has Presbyterian leaders, as well as Christians of other denominations, frankly worried. Originally sent out from the Executive Yuan to the Legislative Yuan for implementation last summer, portions of the proposed draft came under heavy fire from various religious groups here and abroad. Under this barrage, the government took back the draft for reconsideration, but church leaders fear that the regulations may soon reappear with but slight alterations.

In particular, religious leaders point to Article 19 of an early draft, which states: "If a shrine, temple or church is against national policy or is in contravention of its established aim or against public interest, the government authorities may . . . give a warning, nullify any resolution which was made, order its reorganization, or dissolve the legal entity."

Other portions of the new law give the government powers to discharge religious figures who violate laws of the individual churches, require propagation to be done in public and in Chinese—a sore point with religious bodies which use languages such as Taiwanese, Hakka and the various aboriginal dialects in their ministries—and rule that each church's board of trustees must include at least three ministers, which churchmen claim is out of keeping with a situation in which the majority of churches are able to have only one.

Presbyterians also claim this latter clause is discriminatory, since it exempts those churches which are considered by the government to have a hierarchy (Roman Catholic churches are exempt, the Presbyterians are not). "It's a very sweeping kind of thing," said one Presbyterian who requested anonymity. "It gives them the right to do anything they want."

Although many religious leaders see the arrest and trial of Kao and other Christians in light of the proposed new regulations, few local or international churchmen would contest the right of the state to try those who break the law. During a recent visit by three international religious officials who stressed the right and duty of Christians to act according to the dictates of conscience and the Gospel, William Thompson, president of the World Alliance of Reformed Churches and a lawyer, stressed the validity both of the law and of opposition to the law. Kao himself stated during the trial that he accepted the consequences of his actions, and was willing to make the sacrifice because of "love, sympathy and Christian belief."

Opposition is not tolerated on Taiwan. The people of Taiwan are not adequately represented in their national government, yet they cannot question, criticize or otherwise express concern about this government.

When I look at Taiwan I see that it is ruled by an aging group of politicians who also claim to represent a land they were forced to leave over 30 years ago. To maintain this charade they rely on martial law to enforce severe restrictions on political activity while claiming to be a member in good standing of the "free world." I suppose it is consistent in this topsy-turvy scheme to sentence illegal paraders to 12 and 14 year prison terms—one defendant received a life sentence.

But we don't have to be accessories after the fact.

That's why I think we must look carefully at the human rights situation on Taiwan before we sell them the FX or any other arms. I feel the same about selling even so-called passive military systems to the PRC—but that is another issue.

It is always important to observe carefully the trends evident in nations with poor records on protecting basic human rights. Quite frankly, the aftermath of the Kaohsiung incident represents a reversal of an emerging positive trend in Taiwan, and this is what concerns me.

I do not underestimate the complexity of the situation in the Taiwan Strait area. Tensions are low now and we all hope they remain low.

But a permanent peaceful solution cannot be achieved by forcefully clamping the lid on the political aspirations of the Taiwanese. Relaxing the political restraints will not achieve the absolute political calm I imagine all authoritarians dream about. But it will help bring about the sort of society that most Americans and most Taiwanese desire.

In the new Library of Congress Madison Building, these words of our fourth President are enshrined:



"The essence of government is power, and power, lodged as it must be in human hands, will ever be liable to abuse."

In Taiwan, there is abuse and because of our special connection with the Taiwanese, we ought not ignore this abuse nor accept it.

#### AIT-CCNAA RELATIONS

Mr. WOLFF. Mr. Leach will testify shortly.

In addition, the subcommittee will also examine the functioning of the AIT-CCNAA relationship, using the recently completed GAO study on the implementation of the Taiwan Relations Act as our major reference document. Mr. J. Kenneth Fasick, Director of the GAO International Division, and Mr. David Dean, Chairman of the Board and Managing Director of the American Institute in Taiwan will also appear as witnesses.

Let me again observe that this subcommittee is well aware of the sensitivity which exists on both sides of the Taiwan Straits with regard to the issues discussed in these hearings. But, at the same time, given our legislative mandate as representatives of the American people, we consider it incumbent on this subcommittee to address these issues in a public forum.

With these thoughts in mind, we welcome our witnesses today. I would ask Mr. Dean if he has any particular statement he would like to make at this time.

#### STATEMENT OF DAVID DEAN, CHAIRMAN OF THE BOARD AND MANAGING DIRECTOR, THE AMERICAN INSTITUTE IN TAIWAN

Mr. DEAN. I did not make a prepared statement, Mr. Chairman.

Mr. WOLFF. Would you like to comment informally at this time or would you prefer having Mr. Fasick go first?

Mr. DEAN. Well, let me defer to Mr. Fasick, if I may.

Mr. WOLFF. Very good. Mr. Fasick, will you please proceed?

#### STATEMENT OF J. KENNETH FASICK, DIRECTOR, INTERNATIONAL DIVISION, GENERAL ACCOUNTING OFFICE

Mr. FASICK. Very good, sir.

We appreciate the opportunity to testify today on our review of the implementation of the Taiwan Relations Act. This review was undertaken at the request of the chairman, Subcommittee on East Asian and Pacific Affairs, Senate Committee on Foreign Relations. Although the act has only been in effect about a year, enough experience has been gained for an assessment of successes and problems.

In our review we looked at how the Taiwan Relations Act is being implemented. We focused on the operations of the American Institute in Taiwan; the status of treaties and agreements; how Taiwan's military equipment needs will be determined, and how foreign military sales to Taiwan are handled.

At this point, Mr. Chairman, I would like to mention that on May 9 we issued a report—a classified report—to the chairman of the Senate subcommittee. This statement today is an unclassified statement; however, the bulk of the report is classified in accordance with the Department of State's and Department of Defense's direction.

CLASSIFICATION PROCEDURES

Mr. WOLFF. May I just interrupt you at this point. The Department of State has requested that it be classified, and the Department of Defense?

Mr. FASICK. Our normal procedure is to submit a draft of our report to the agency for a security review. In most of these cases we request the agency to look at the report from the point of view of declassifying. If they cannot declassify it, then we ask them to identify the specific statements in the report that must remain classified.

In the case of this report I would suggest that probably 60 percent of it has been classified by the Department of State and the Department of Defense, based upon their judgment. We, in the General Accounting Office, do not classify reports, or classify documents.

Mr. WOLFF. I was just going to ask you when this was going to be declassified.

Mr. FASICK. That is a question you will have to direct to the Department of State and Department of Defense because it is within their jurisdiction to declassify something.

Mr. WOLFF. All right.

TAIWAN RELATIONS ACT IS WORKING

Mr. FASICK. In summary, we found that the Taiwan Relations Act is working. Although the form of U.S. relations with the people of Taiwan has changed, the substance has remained basically the same. After an uneasy start, including a brief interruption in some aspects of relations, the mechanism for unofficial contacts is functioning fairly smoothly.

I have a section here, Mr. Chairman, on the background of the Taiwan Relations Act, and I think the committee is very familiar with that; so, I will not review it.

Since passage of the act there have been many positive signs: trade and investment are up. The United States recently announced a \$280-million arms sale—and this is a new sale—after a 1-year moratorium. AIT has negotiated a number of agreements, important to maintaining and expanding relations and, U.S. relations with the People's Republic of China are improving. The dire prediction of U.S. abandonment of Taiwan and economic disaster have not materialized.

Despite these positive signs, two congressional concerns expressed during consideration of the act remain valid. That is the degree to which the People's Republic of China reaction influences U.S. decisions and the degree of executive branch consultation with appropriate Members of Congress.

Although the People's Republic of China has repeatedly asked that the U.S. Government keep its relations with Taiwan on a strictly unofficial basis, there has not been a serious formal People's Republic of China complaint about the substance of United States-Taiwan relations since derecognition. Nevertheless, the State Department approaches decisions about Taiwan very cautiously. The Department views even the smallest issue involving the form of our relations with Taiwan as having a potentially negative impact on United States-People's Republic of China relations. Department officials told us that although the People's Republic of China may not protest every

individual decision involving the form of U.S. relations, cumulatively these decisions could have a serious impact on U.S. relations with the People's Republic of China.

#### UNITED STATES-PEOPLE'S REPUBLIC OF CHINA EFFECTS ON TAIWAN

The goal of improving United States-People's Republic of China relations has also affected more important areas of continuing U.S. relationship with Taiwan. For example, State did not allow top management officials of the National Science Foundation to perform onsite evaluations in Taiwan. These evaluations are essential in continuing the United States-Taiwan Science Cooperation Agreement. Similarly, the State Department's decision that it would be inappropriate for AIT to use the computer facilities at the Regional Finance Center in Bangkok led to the use of a manual payroll and accounting system operated by untrained personnel. A year later, the AIT accounting system still has serious problems and the search for a workable alternative is continuing. U.S. officials quickly point out that there was no material harm to Taiwan in any of these types of decisions. However, this may represent an overreaction on the part of the State Department in order to appear to adhere to the agreement to have no official relations with Taiwan.

Although the United States has scrupulously avoided any officiality in its relations with Taiwan pursuant to the United States commitment to the People's Republic of China, the People's Republic of China has, on at least one occasion, made formal relations an issue in negotiations with the United States. Just as the People's Republic of China made termination of the Mutual Defense Treaty a precondition for diplomatic relations, similarly they told United States negotiators during 1979 that there would be no Air Transport Agreement with the People's Republic of China until termination of the 1946 United States-Taiwan Air Transport Agreement. Accordingly, the existing Taiwan Air Transport Agreement was terminated and a new agreement established between AIT and its Taiwan counterpart, the CCNAA. The State Department emphasized that simply amending the old, outmoded agreement would have made a political statement for Taiwan at the expense of the new United States relationship with the People's Republic of China.

#### SALE OF MILITARY EQUIPMENT

Other than pre-1979 treaties with Taiwan, the only major issue in the United States-People's Republic of China relationship is the continued sale of United States military equipment to Taiwan. For several years, the People's Republic of China had insisted on termination of United States military equipment sales to Taiwan as a precondition for formal relations. Although this demand was never dropped, diplomatic relations became possible when the United States and the People's Republic of China agreed to disagree about future United States arms sales to Taiwan. The People's Republic of China, however, made it clear that it remained opposed to continued sales. It is this opposition and the potentially disruptive impact on improving People's Republic of China relations that make this a "delicate" problem for the United States. The noncontroversial and self-defensive character

of the equipment announced for sale in January, and the deferral so far of any decision either on Taiwan's other priorities, or even on the remaining noncontroversial items, underscores the cautious approach the executive branch is taking.

Whether the executive branch is giving too much weight to the possible reaction from the People's Republic of China and the impact on future United States-People's Republic of China relations, is a matter of judgment. The executive branch obviously has a valid concern that future sales to Taiwan not destabilize the regional military balance or be perceived as providing an offensive threat to the People's Republic of China as opposed to the maintenance of a viable Taiwan defensive capability.

The reaction of the People's Republic of China is an integral factor in any decision. As executive branch officials have pointed out, Taiwan would not benefit from the sale of weapons which increased hostility between the two parties. The People's Republic of China views the sales of some weapons to Taiwan as unacceptable. A People's Republic of China official told a United States congressional delegation in 1979 that there was a level of tolerance in arms sales to Taiwan and the United States should be prudent.

#### EXECUTIVE BRANCH

Uncertainty about the limits of People's Republic of China toleration contributes to the deliberateness of executive branch decision-making. We believe that the stretching out of Taiwan sales is designed to insure that these limits are not exceeded.

The executive branch, to date, has made little effort to explain what specific plans there may be for future Taiwan arms sales. The legislative history of the act implies that the Congress expected to be closely consulted about Taiwan's defense needs, and the United States plans to meet them. Appropriate consultation on arms sales plans would go a long way toward assuring the Congress that the People's Republic of China, while influencing, is not dictating what will or will not be sold to Taiwan.

The Senate Foreign Relations Committee report on the Taiwan Relations Act noted that although many Members of the Congress were in favor of extending diplomatic relations to the People's Republic of China, they were concerned about the failure to consult with the Congress prior to the action. There was additional concern because a provision in the International Security Assistance Act of 1978 specifically states that the President should consult with the Congress before making policy changes which might affect the Mutual Defense Treaty with Taiwan.

#### CONSULTATIONS

Also, during the consideration of the Taiwan Relations Act, members of the Senate Foreign Relations and House Foreign Affairs Committee indicated they wanted to be consulted during the decision-making process and believed that the Congress should play an active role in maintaining the security and well-being of Taiwan through the unofficial relationship. Although the Congress was assured many

times by the State Department that close contacts with the Congress would be maintained, the "what" and "when" aspects of consultation regarding treaties, agreements, and military sales could be improved. For example, the Congress was not consulted prior to the termination of the Air Transport Agreement with Taiwan. Furthermore, no information was provided to the Congress on what items would be recommended, or on what the executive branch's future arms strategy would be, even though the Congress was briefed on Taiwan's request for military equipment.

During oversight hearings before the Subcommittee on East Asian and Pacific Affairs, Senate Committee on Foreign Relations, on November 14, 1979, the Deputy Secretary of State said that in the future close contact would be maintained on agreements. One of the reasons for absent or inadequate consultation is that the executive branch's decisions on treaties, agreements, and military sales are made, and closely held, by a small group of top-level U.S. officials. This is due to the importance attached to improving relations with the People's Republic of China and the sensitivity of the issues.

#### RESOLVING AIT PROBLEMS

A number of administrative problems that confronted the AIT during the early stages of its existence have been resolved. For the most part, these problems were the result of the uniqueness of AIT and the need within the State Department to invent procedures for using a privately incorporated, nonprofit institute to administer and conduct informal relations overseas. These administrative problems which had a negative impact on employee morale, included: Late salary checks; confusion over reemployment rights; limited funds for travel and for storing household goods; and structural deficiencies affecting the security of the AIT facility.

The way in which a number of these and additional problems were resolved reflects the higher cost and inefficiency of the new procedure for conducting unofficial as contrasted with formal diplomatic relations. Some Government officials view these procedures, which were chosen in part to maintain the appearance of unofficial relations, as an overreaction. Although everyone agreed that the procedures are cumbersome and inconvenient, State Department officials believe they are essential if the United States is to live up to the spirit of its commitment to the People's Republic of China.

After derecognition, State Department officials did not consider it appropriate—for symbolic reasons—for AIT to occupy the former U.S. Embassy. Consequently, AIT is housed in a building previously used by the U.S. military. This facility had a number of structural deficiencies affecting security, safety, and sanitation. AIT personnel have taken action to bring the security of the building to an acceptable level, but any further improvements will depend on additional funding for this purpose.

The breaking of diplomatic relations with Taiwan has had no measurable adverse effect on commercial and cultural relations between the United States and the people of Taiwan. In fact, the Taiwan Relations Act may have actually removed much of the uncertainty that existed prior to "normalization," resulting in an improved business environment and resumption of close and friendly cultural ties.

The Taiwan Relations Act requires the Secretary of State to report to the Congress biannually for a 2-year period on United States and Taiwan economic relations, highlighting any interference with normal commercial relations. According to the March 1980 report:

\* \* \* there is no evidence that the severance of official ties between the United States and Taiwan has in any way interfered with commercial relations with Taiwan. On the contrary, United States-Taiwan bilateral trade and U.S. investment in Taiwan increased by 23 percent and 15 percent, respectively.

The report further states that "Taiwan's robust economic performance in 1979 underlines the continuing foreign and domestic confidence in the stability of the island."

#### ECONOMIC PROGRESS

Our analysis of domestic and external economic indicators also demonstrates that Taiwan is showing positive economic progress both when compared to other developing areas and considering its heavy reliance on trade. In conclusion, Taiwan has not suffered economically from U.S. derecognition.

Taiwan is the eighth-largest trading partner of the United States. Total two-way trade was \$9.1 billion for 1979, an increase of more than \$1.6 billion over 1978. U.S. exports were up approximately 40 percent and strong export sales growth to Taiwan is also forecast for 1980. Equally bright, is the outlook for U.S. investment, which increased more than 15 percent during 1979 over 1978. Taiwan has demonstrated amazing progress in the aftermath of normalization.

Parties on both sides are optimistic about future trade and investment. Prospects are that, for the foreseeable future, Taiwan will continue to rank second only to Japan as a U.S. trading partner in Asia.

During our discussions with Taiwan and AIT officials, and with business representatives both in the United States and Taiwan, all generally agreed that the current and future business climate between the two countries was, "business as usual."

Mr. Chairman, that concludes the statement, and we will be pleased to proceed as you wish.

[Mr. Fasick's prepared statement follows:]

#### PREPARED STATEMENT OF J. KENNETH FASICK, DIRECTOR, INTERNATIONAL DIVISION, GENERAL ACCOUNTING OFFICE

Mr. Chairman and Members of the Subcommittee, we appreciate the opportunity to testify today on our review of the Implementation of the Taiwan Relations Act. This review was undertaken at the request of the Chairman, Subcommittee on East Asian and Pacific Affairs, Senate Committee on Foreign Relations. Although the Act has only been in effect about a year, enough experience has been gained for an assessment of successes and problems.

In our review we looked at how the Taiwan Relations Act is being implemented. We focused on the operations of the American Institute in Taiwan (AIT); the status of treaties and agreements; how Taiwan's military equipment needs will be determined; and how foreign military sales (FMS) to Taiwan are handled.

In summary, we found that the Taiwan Relations Act is working. Although the form of U.S. relations with the people of Taiwan has changed, the substance has remained basically the same. After an uneasy start, including a brief interruption in some aspects of relations, the mechanism for unofficial contacts is functioning fairly smoothly.

#### BACKGROUND ON THE TAIWAN RELATIONS ACT

After years of negotiations, the President announced on December 15, 1978, that the United States and the People's Republic of China (PRC) had agreed to establish full diplomatic relations. At the same time, the executive branch announced that the United States would break diplomatic relations with Taiwan but would continue commercial, cultural, and other relations through nongovernmental means.

To facilitate maintaining those relations without diplomatic representation, the President issued a memorandum on December 30, 1978, directing all U.S. Government departments and agencies to continue to conduct programs, transactions, and other relations with Taiwan.

One month after derecognition, on January 26, 1979, the President transmitted a draft bill to the Congress to provide a legal basis for continuing relations. The Congress believed that the bill did not clearly spell out the way in which Taiwan relations should be maintained. After significant revision by the Congress, the President signed the "Taiwan Relations Act," Public Law 96-8, on April 10, 1979. About 2 months later the President issued Executive Order No. 12143.

Since passage of the Act, there have been many positive signs:

Trade and investment are up;

The United States recently announced a \$280 million arms sale, after a 1-year moratorium;

AIT has negotiated a number of agreements important to maintaining and expanding relations; and

U.S. relations with the PRC are improving.

The dire predictions of U.S. abandonment of Taiwan and economic disaster have not materialized.

Despite these positive signs, two congressional concerns expressed during consideration of the Taiwan Relations Act remain valid:

The degree to which PRC reaction influences U.S. decisions; and

The degree of executive branch consultation with appropriate Members of Congress.

#### PRC INFLUENCE ON TAIWAN POLICY

Although the PRC has repeatedly asked that the U.S. Government keep its relations with Taiwan on a strictly unofficial basis, there has not been a serious formal PRC complaint about the substance of U.S.-Taiwan relations since derecognition. Nevertheless, the State Department approaches decisions about Taiwan very cautiously. The State Department views even the smallest issue involving the form of our relations with Taiwan as having a potentially negative impact on U.S.-PRC relations. State Department officials told us that, although the PRC might not protest every individual decision involving the form of U.S. relations, cumulatively these decisions could have a serious impact on U.S. relations with the PRC.

The goal of improving U.S.-PRC relations has also affected more important areas of the continuing U.S. relationship with Taiwan. For example, State did not allow top management officials of the National Science Foundation to perform on-site evaluations in Taiwan. These evaluations are essential in continuing the U.S.-Taiwan Science Cooperation Agreement. Similarly, the State Department's decision that it would be inappropriate for AIT to use the computer facilities at the Regional Finance Center in Bangkok led to the use of a manual payroll and accounting system operated by untrained personnel. A year later, the AIT accounting system still has serious problems, and the search for a workable alternative is continuing. U.S. officials quickly point out that there was no material harm to Taiwan in any of these types of decisions. However, this may represent an overreaction on the part of the State Department in order to appear to adhere to the agreement to have no official relations with Taiwan.

Although the United States has scrupulously avoided any officiality in its relations with Taiwan pursuant to the U.S. commitment to the PRC, the PRC has, on at least one occasion, made formal relations an issue in negotiations with the United States. Just as the PRC made termination of the Mutual Defense Treaty a pre-condition for diplomatic relations, similarly they told U.S. negotiators during 1979 that there would be no Air Transport Agreement with the PRC until termination of the 1946 U.S.-Taiwan Air Transport Agreement. Accordingly,

the existing Taiwan Air Transport Agreement was terminated, and a new agreement established between AIT and its Taiwan counterpart, the CCNAA. The State Department emphasized that simply amending the old outmoded agreement would have made a political statement for Taiwan at the expense of the new U.S. relationship with the PRC.

Other than pre-1979 treaties with Taiwan, the only major issue in the U.S.-PRC relationship is the continued sale of U.S. military equipment to Taiwan. For several years, the PRC had insisted on termination of U.S. military equipment sales to Taiwan as a pre-condition for formal relations. Although this demand was never dropped, diplomatic relations became possible when the United States and the PRC agreed to disagree about future U.S. arms sales to Taiwan. The PRC, however, made it clear that it remained opposed to continued sales. It is this opposition and the potentially disruptive impact on improving PRC relations, that makes this a "delicate" problem for the United States. The non-controversial and self-defensive character of the equipment announced for sale in January, and the deferral, so far, of any decision either on Taiwan's other priorities or even on the remaining non-controversial items, underscores the cautious approach the executive branch is taking.

Whether the executive branch is giving too much weight to the possible reaction from the PRC and the impact on future U.S.-PRC relations, is a matter of judgment. The executive branch obviously has a valid concern that future sales to Taiwan not destabilize the regional military balance or be perceived as providing an offensive threat to the PRC as opposed to maintenance of a viable Taiwan defensive capability. The reaction of the PRC is an integral factor in any decision. As executive branch officials have pointed out, Taiwan would not benefit from the sale of weapons which increased hostility between the two parties. The PRC views the sale of some weapons to Taiwan as unacceptable. A PRC official told a U.S. congressional delegation in 1979 that there was a level of tolerance in arms sales to Taiwan and the United States should be prudent.

Uncertainty about the limits of PRC toleration contributes to the deliberateness of executive branch decisionmaking. We believe that the stretching out of Taiwan sales is designed to insure that these limits are not exceeded.

The executive branch, to date, has made little effort to explain what specific plans there may be for future Taiwan arms sales. The legislative history of the Act implies that the Congress expected to be closely consulted about Taiwan's defense needs, and U.S. plans to meet them. Appropriate consultation on arms sales plans would go a long way toward assuring the Congress that the PRC, while influencing, is not dictating what will or will not be sold to Taiwan.

#### LACK OF CONSULTATION

The Senate Foreign Relations Committee report on the Taiwan Relations Act noted that, although many Members of Congress were in favor of extending diplomatic relations to the PRC, they were concerned about the failure to consult with the Congress prior to the action. There was additional concern because a provision in the International Security Assistance Act of 1978 specifically states that the President should consult with the Congress before making policy changes which might affect the Mutual Defense Treaty with Taiwan.

Also, during the consideration of the Taiwan Relations Act, Members of the Senate Foreign Relations and House Foreign Affairs Committees indicated that they wanted to be consulted during the decisionmaking process and believed that the Congress should play an active role in maintaining the security and well-being of Taiwan through the unofficial relationship. Although the Congress was assured many times by the State Department that close contacts with the Congress would be maintained, the "what" and "when" aspects of consultations regarding treaties, agreements, and military sales could be improved. For example, the Congress was not consulted prior to the termination of the Air Transport Agreement with Taiwan. Furthermore, no information was provided to the Congress on what items would be recommended or on what the executive branch's future arms strategy would be, even though the Congress was briefed on Taiwan's request for military equipment.

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One of the reasons for absent or inadequate consultation is that the executive branch's decisions on treaties, agreements, and military sales are made, and closely held, by a small group of top-level U.S. officials. This is due to the importance attached to improving relations with the PRC and the sensitivity of the issues.

#### THE AMERICAN INSTITUTE IN TAIWAN

A number of administrative problems that confronted AIT during the early stages of its existence have been resolved. For the most part, these problems were the result of the uniqueness of AIT and the need within the State Department to invent procedures for using a privately incorporated, nonprofit institute to administer and conduct informal relations overseas. These administrative problems which had a negative impact on employee morale, included: late salary checks; confusion over reemployment rights; limited funds for travel and for storing household goods; and structural deficiencies affecting the security of the AIT facility.

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#### PHYSICAL CONDITION OF FACILITY

After derecognition, State Department officials did not consider it appropriate—for symbolic reasons—for AIT to occupy the former U.S. Embassy. Consequently, AIT is housed in a building previously used by the U.S. military. This facility had a number of structural deficiencies affecting security, safety, and sanitation. AIT personnel have taken action to bring the security of the building to an acceptable level, but any further improvements will depend on additional funding for this purpose.

#### COMMERCIAL AND CULTURAL RELATIONS WITH TAIWAN

The breaking of diplomatic relations with Taiwan has had no measurable adverse effect on commercial and cultural relations between the United States and the people of Taiwan. In fact, the Taiwan Relations Act may have actually removed much of the uncertainty that existed prior to "normalization," resulting in an improved business environment and resumption of close and friendly cultural ties.

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#### TRADE AND INVESTMENT

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During our discussions with Taiwan and AIT officials, and with business representatives both in the United States and Taiwan, all generally agreed that the current and future business climate between the two countries was "business as usual."

Mr. Chairman, this concludes our prepared testimony. We would be pleased to answer any questions from you or members of your subcommittee at this time.

Mr. WOLFF. The bell tolls for me. Actually, in this we will have a series of votes which will take us about 20 minutes, which means that we will either have to recess, if that is convenient for our witnesses, or we will have to postpone this meeting to another time.

In the interim, however, and I think I have about 10 minutes here, we might throw some questions out.

Mr. Fasick, one element in this, you are an organ of the Congress; am I correct in that?

Mr. FASICK. We are an independent body in the legislative branch. We work for the Congress, yes, sir.

#### CLASSIFICATION PROCEDURES

Mr. WOLFF. Then, how is it that the State Department and the Defense Department classify your documents which are a report to the Congress?

Mr. FASICK. Sir, the information we obtain is obtained from their documents, and their documents are classified. Most of the information we come up with when we draft a report is classified in accordance with the source documents. Then we go to the agency to see if it can be declassified. That is what happened in this case. But we do not classify reports ourselves.

Mr. WOLFF. I would like to refer to counsel on this and ask that we call DOD and the State Department up on the classification of this document because I do think that some of the information that is in here should be available not only to the Congress, but should be available to the general public. That would not impair, or impact upon the security interests of our Nation.

In fact, I think some of the things that you have said today have a greater sensitivity than some of the things I have seen classified in this report. So I think it is about time that we did something about this question of classification and overclassification which we constantly have.

#### TAIWAN RELATIONS ACT PROBLEM AREAS

Mr. WOLFF. Mr. Dean, in the testimony that you gave the other day things seem to be going well under the Taiwan Relations Act. I guess there must be some problems.

Mr. DEAN. Oh, yes.

Mr. WOLFF. I wonder if you could give us an idea of what you consider to be the problem areas so that we can see what steps can be taken.

Mr. DEAN. Well, I think that we can divide the problem areas into two. One, the first one, would be the administrative type problems that the Institute itself has. The second would be substantive problems in terms of our relationship with Taiwan.

First, on the administrative side, our original contract was very complex and very difficult to follow. We are renegotiating it now, and the renegotiations should be finished by the end of this month.

One of the things in the contract was the accounting system that we were asked to follow—an accrual accounting system—an accounting system with which our personnel were not very familiar. Thus it was very difficult to develop a system that was satisfactory to the contracting officer in the State Department. However, because we want to use the Bangkok computer facilities, the Department's contracting officer has agreed to let us use a different accounting system, one that is familiar to our personnel, that can be programed into those computer facilities. The Taiwan Relations Act gives us the authority to call upon Government agencies and departments for assistance. So, we are asking the Department of State to let us use their Bangkok computer facility. We will pay for this service on a contractual basis.

Mr. WOLFF. How much of an additional cost is that, do you have any idea?

Mr. DEAN. I do not know. I think we have to pay on a per-item basis. I am sorry I do not know what that is.

Mr. WOLFF. Could you provide that?

Mr. DEAN. Yes; I can find that out, and I can find out how much more this will be than we are paying now.

Mr. WOLFF. I am sorry, but this second bell requires that we recess. I will indicate that we have to recess now. I would ask counsel to get together with our two witnesses to determine which would be more convenient for them, to continue on later on this afternoon, after the Hussein meeting, or come back at another time.

Mr. PALMER. I think our witnesses should be aware that would be at least 4 o'clock. I do not know what their schedules are. Is that agreeable with you?

Mr. DEAN. It would be agreeable with me, sir, if it suits your schedule.

Mr. WOLFF. Maybe at 4, 4:30.

Mr. PALMER. Mr. Fasick?

Mr. FASICK. It would be agreeable with us.

Mr. PALMER. You are at the will of the Congress.

Mr. FASICK. Indeed.

[Laughter.]

CONTINUING HEARINGS

Mr. WOLFF. Thank you. I would like to make note at this time that on July 22 we will begin with hearings on the question of our relationship, continuing relationship with the People's Republic of China, and on our oversight on that particular part of it as well. That will be at 2 o'clock in the same room.

The committee will now stand in recess.

[Whereupon, a recess was taken until 4:10 p.m.]

Mr. WOLFF. The subcommittee will come to order. I just might inform my colleague that we are expecting a vote very shortly, and in the essence of time I should like to ask the gentleman that we might include his full statement in the record at this point and he summarize it; or to go just until we do have to go to the floor for a vote.

Mr. LEACH. Why not go straight ahead, it is not too long.

Mr. WOLFF. All right. The Chair recognizes the gentleman.

**STATEMENT OF HON. JIM LEACH,, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF IOWA**

Mr. LEACH. Thank you, Mr. Chairman. I greatly appreciate, once again, having the opportunity to appear before your subcommittee to discuss Taiwan.

As you pointed out in your opening statement for these hearings, one of the major areas of interest to the subcommittee is "domestic political conditions on Taiwan."

Last March I introduced a resolution to express the concern of the House over the restrictive political developments which have occurred in Taiwan since December 10, 1979. The revised and updated version of this resolution was introduced in the House yesterday—renumbered as House Resolution 708<sup>1</sup>—and I am hopeful the subcommittee will seriously consider reporting it out as a balanced statement of congressional concern over the potential impact of the Kaohsiung incident.

Taiwan has established a remarkable record of stability and progress in recent years. It has successfully weathered a series of adverse international developments, including the Nixon opening to Peking, expulsion from the United Nations, the collapse of two decades of American policy in Indochina and, most recently, U.S. recognition of the People's Republic of China and termination of the Mutual Defense Treaty.

The Taiwanese economy continued to advance impressively, with per capita income close to \$1,900 per annum. Fueled by a buoyant export sector, Taiwan's pragmatic capitalism has produced material success which is the envy of the developing world. And, in the security area, tensions between Taiwan and the People's Republic of China appear to be diminishing. For various political and military reasons, the possibility of People's Republic of China aggression against Taiwan is highly unlikely in the near term. However, the continued sale to Taiwan of such weapons as may be required to maintain a credible defense against external threat, including an advanced fighter aircraft such as the new FX, represents an appropriate U.S. policy commitment.

**CONTINUED POLITICAL STABILITY**

It is regrettable that one dark cloud blots the horizon of an otherwise bright future for Taiwan. The prospect for continued political stability on the island is a matter of serious concern. President Chiang Ching-Kuo is now 70 years old, suffers from diabetes and has neither chosen a successor nor yet developed viable political institutions to survive his demise. Should anything happen to him in the near future, Taiwan would face a major internal political crisis.

Two basic political rifts underlie Taiwan's domestic politics today. The first is between the majority native Taiwanese, who comprise 85 percent of the island's population, and the mainland Chinese who moved to Taipei in 1949. The second is between the younger, educated future leadership—who are both native Taiwanese and children of mainlanders—and the aging KMT leaders who still monopolize most political power.

<sup>1</sup> See appendix.

A further complicating factor arises from Taiwan's unique international political decision. Both the Government in Peking and the KMT authorities in Taipei consider Taiwan to be a province of China. Yet, it is clear that increasing numbers of the Taiwanese population are sympathetic to maintaining an autonomous status for Taiwan. Many Taiwanese believe, after 30 years of Nationalist rule, that the Government should relinquish its unrealistic claim to govern all of China. But the legitimacy of the KMT Government rests on the premise that it is the rightful government of all of China. Relinquishing this claim implies the government must establish a new claim to legitimacy based on consent of the governed. To establish this new claim, the Government must open up and democratize the political process.

In recent years, President Chiang has followed a policy of bringing more Taiwanese and more younger leaders into the party and the Government. But there have been interruptions to this trend, resulting in a two-step-forward, one-step-backward process.

#### PARLIAMENTARY ELECTIONS

The most recent step forward has been the announcement that parliamentary elections, postponed since 1978, have been rescheduled for later this year. At this point it appears that more seats in the Legislative Yuan will be reserved for Taiwan, thereby increasing the relative influence of Taiwanese as compared with mainlanders representing other provinces of China.

In contrast, however, is the most recent step backward—the current wave of political repression which has resulted in virtually all leading Taiwanese critics of the Government being sentenced to harsh prison terms. Under present conditions, it appears that there will be little viable opposition to offer alternatives to ruling party candidates in the parliamentary elections.

Gradual, increased sharing of political power with the native Taiwanese is essential for continued political stability on the island. The real issue today on Taiwan is not whether there will be more Taiwanese in the Government. This is inevitable. The issue is how the process will proceed and at what pace.

#### KAOHSIUNG INCIDENT

The Kaohsiung incident must be seen in the context of these internal political dynamics. In the starkest terms, a group of native Taiwanese critics of the government became too active politically for the ruling party to tolerate. The authorities appear to have seized on the confrontation last December 10 in Kaohsiung as the pretext to prohibit publication of journals critical to the government and to arrest, try and sentence to harsh prison terms most leading opponents of the KMT. Subsequently, it was decided to move against leaders of the Presbyterian Church, the second-largest organization on the island after the KMT itself, by arresting and sentencing the church's general secretary.

While the Kaohsiung demonstrators may have exacerbated tensions by pressing authorities to unnecessary limits, the harsh sentences which have been handed down clearly reflect an intention to tightly contain political dissent rather than merely punish those who disturbed the peace.

Events in Korea since the assassination of President Park Chung Hee should cause us to reassess the viability of political institutions elsewhere in the region where the United States has major ties and interests. The Korean drama is not complete, but it is clear that the absence of stable participatory political processes there has created a situation of considerable potential danger. The United States has a legitimate interest in the evolution of politically stable institutions and governments responsive to popular needs and desires, not only in Korea but also in Taiwan, the Philippines, and elsewhere in the region.

Former Secretary of State Cyrus Vance in his recent commencement address at Harvard, offered several insightful comments into the importance of human rights to American foreign policy. Vance emphasized that, "It is in our interest to support constructive change before the alternatives of radicalism or repression force out moderate solutions." Vance added that, "We know from our own national experience that the drive for human freedom has tremendous force and vitality. It is universal, it is resilient and, ultimately, it is irrepressible."

#### PRESERVING RIGHTS

The Taiwan Relations Act is quite specific in stating that the preservation and enhancement of the human rights of all the people of Taiwan are objectives of the United States. The Congress, therefore, has a direct interest in seeing that these objectives are pursued. Many Members of the House and the Senate have already expressed their concern over the Kaohsiung trials directly to the Taiwan authorities. The resolution before the subcommittee provides an opportunity for the House as a body to express its concern.

In this regard, I should like to stress that the issues that should be addressed by Congress are fundamental human rights and the mutuality of interest which our Government and the Government in Taipei have for long-term political stability on the island.

Now is not the time to seek a confrontation with the People's Republic of China on the question of independence. A very few activists in Taiwan and some within America may seek such an immediate declaration of intent.

But the real problem in Taiwan is individual rights, not national identity. Wisdom dictates that the people of Taiwan seek first an internal accommodation relating to the broadening of democratic participation on the island, and then let the passage of time and the will of the people determine any changes in the international status of Taiwan.

Finally, I would be remiss not to conclude with an expression of hope that with the new elections and the simmering down of antagonisms the Government of Taiwan could consider clemency for those who participated directly or indirectly in the Kaohsiung incident.

The rights of free expression, free assembly, and free worship should be bolstered rather than set back.

Passage of this resolution will convey an important message to the Government on Taiwan, as well as to all the people of Taiwan, and I urge its adoption.

[Mr. Leach's prepared statement follows:]

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SECURITY AREAS

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INTERNATIONAL POLITICAL POSITION

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The Kaohsiung incident must be seen in the context of these internal political dynamics. In the starkest terms, a group of native Taiwanese critics of the government became too active politically for the ruling party to tolerate. The authorities appear to have seized on the confrontation last December 10 in Kaohsiung as the pretext to prohibit publication of journals critical of the government and to arrest, try and sentence to harsh prison terms most leading opponents of the KMT. Subsequently it was decided to move against the leaders of the Presbyterian Church, the second largest organization on the island after the KMT itself, by arresting and sentencing the church's General Secretary.

While the Kaohsiung demonstrators may have exaggerated tensions by pressing authorities to unnecessary limits, the harsh sentences which have been handed down clearly reflect an intention to tightly contain political dissent rather than merely punish those who disturbed the peace.

Further details and a partial analysis of the Kaohsiung incident are contained in a separate statement I have prepared for the Congressional Record, and I would like to request permission of the Chair to include a copy in the record of this Subcommittee hearing.

Events in Korea since the assassination of President Park Chung Hee should cause us to reassess the viability of political institutions elsewhere in the region where the United States has major ties and interests. The Korean drama is not complete, but it is clear that the absence of stable participatory political processes there has created a situation of considerable potential danger. The United States has a legitimate interest in the evolution of politically stable institutions and governments responsive to popular needs and desires not only in Korea but also in Taiwan, the Philippines and elsewhere in the region.

Former Secretary of State Cyrus Vance in his recent commencement address at Harvard, offered several insightful comments into the importance of human rights to American foreign policy. Vance emphasized that "it is in our interest to support constructive change . . . before the alternatives of radicalism or repression force out moderate solutions." Vance added that "we know from our own national experience that the drive for human freedom has tremendous force and vitality. It is universal, it is resilient. And, ultimately, it is irrepressible."

The Taiwan Relations Act is quite specific in stating that the preservation and enhancement of the human rights of all the people of Taiwan are objectives of the United States. The Congress therefore has a direct interest in seeing that these objectives are pursued. Many Members of the House and the Senate have already expressed their concern over the Kaohsiung trials directly to the Taiwan authorities. The resolution before the Subcommittee provides an opportunity for the House as a body to express its concern.

In this regard, I should like to stress that the issues that should be addressed by Congress are fundamental human rights and the mutuality of interest which our government and the government in Taipei have for long term political stability on the island.

Now is not the time to seek a confrontation with the PRC on the question of independence. A very few activists in Taiwan and some within America may seek such an immediate declaration of intent.

#### CITIZEN RIGHTS

But the real problem in Taiwan is citizen rights not national identity. Wisdom dictates that the people of Taiwan seek first an internal accommodation relating to broadening of democratic participation on the island, and then let the passage of time and the will of the people determine any changes in the international status of Taiwan.

Finally, I would be remiss not to conclude with an expression of hope that with the new elections and the simmering down of antagonisms the government on Taiwan could consider clemency for those who participated directly or indirectly in the Kaohsiung incident.



The rights of free expression, free assembly, and free worship should be bolstered rather than set back.

Passage of this resolution will convey an important message to the government on Taiwan, as well as to all the people of Taiwan, and I urge its adoption.

Mr. WOLFF. Thank you very much, Mr. Leach, for your statement. Unfortunately, with the bells ringing, we will not have the same time we would normally like to use to address the problem. I am going to recommend that with the consent of our other witnesses, that we will have to resume at a later period because, as it stands now, there will probably be about 40 minutes in votes and we do not want to detain the witnesses further on this.

The committee will stand in adjournment until such time as we are able to get the witnesses back together again.

Mr. Fasick, basically we are very appreciative of your joining us today, and hope that we could get you back again when other members of the committee might be able to question you on the overall aspects of the GAO report.

In the interim, I have asked counsel to find out the major objections to the declassification of this report so that we can share with our colleagues and with the rest of the Nation some of the very excellent recommendations that you have made in the report.

Mr. Dean, again our apologies for taking so much of your time and not having the time available to make use of your visit here as adequately as we would have liked to. Therefore, I am going to ask that we recess—I should say that we adjourn—at this point, to reconvene at a time convenient for all of the witnesses.

[Whereupon, at 4:20 p.m., the subcommittee adjourned, to reconvene at the call of the Chair.]

## IMPLEMENTATION OF THE TAIWAN RELATIONS ACT

WEDNESDAY, JULY 30, 1980

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FOREIGN AFFAIRS,  
SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS,  
*Washington, D.C.*

The subcommittee met at 2:20 p.m., in room 2200, Rayburn House Office Building, Hon. Lester L. Wolff (chairman of the subcommittee) presiding.

Mr. WOLFF. The subcommittee will come to order.

First, let me apologize for being late. The tempo of the times has accelerated and the acceleration gives us pause to try to meet all of the commitments that we have.

Our colleague, Mr. Leach, is with us today and will testify and participate in questioning our other witnesses at this hearing.

I am afraid that we have a great degree of absenteeism here today also because of some of the other events that are taking place.

Today, the Subcommittee on Asian and Pacific Affairs, in accordance with section 14(a) of the Taiwan Relations Act, resumes its oversight hearings on the implementation of the Taiwan Relations Act.

At our initial hearing on June 11, Hon. Richard Holbrooke, Assistant Secretary of State for East Asian and Pacific Affairs, and Mr. David Dean, Chairman of the Board and Managing Director of the American Institute in Taiwan, appeared before this subcommittee.

Let me briefly summarize the testimony given by the witnesses.

First, the TRA is an effective and legal framework for the conduct of unofficial relations between the United States and the people on Taiwan.

Second, derecognition notwithstanding, substantive relations between the United States and the people on Taiwan have not suffered under the TRA.

Third, Taiwan's economy and United States-Taiwan trade have continued to grow under the Taiwan Relations Act.

Fourth, the administration announced that it would shortly reach a decision regarding the possible sale of the FX fighter to Taiwan. I would note that the decision was announced on the day following our hearing.

Fifth, any decision to restore diplomatic relations with Taiwan would, in the words of Mr. Holbrooke, have a "devastating effect" on U.S. foreign policy interests in Asia and on our relations with the Republic of China.

As the subcommittee previously announced, these hearings will focus on four major areas of concern to the Congress: (1) the security of the people on Taiwan; (2) the Taiwanese economy; (3) domestic political conditions on Taiwan; and (4) the functioning of the AIT-CCNAA relationship.

At our hearing today, we will address the latter two concerns, that is, the domestic political conditions and the AIT-CCNAA relationship.

Let me again observe that this subcommittee is well aware of the sensitivity which exists on both sides of the Taiwan Straits with regard to the issues discussed in these hearings. But, at the same time, given our legislative mandate as representatives of the American people, we consider it incumbent on this subcommittee to address these issues in a public forum.

With these thoughts in mind, we welcome our witnesses. They are: Hon. Jim Leach, of Iowa; Mr. William P. Thompson, stated clerk, United Presbyterian Church, United States of America; and Mr. David Dean, Chairman of the Board and Managing Director of the American Institute in Taiwan.

Mr. Leach, I believe you have a statement that you would like to make. Please do so at this time.

**STATEMENT OF HON. JIM LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA**

Mr. LEACH. Thank you, Mr. Chairman. I have quite a lengthy statement and I would like your permission to introduce it into the record without reading it.

I would only like to say that the statement, in partial measure, goes into an analysis of the speeches that were delivered at the Kaohsiung rally. It is my personal conclusion that the sentences of the participants are deeply inappropriate and I would urge clemency at the earliest possible time.

Second, I would like to say that recent acts of violence that have occurred in this country against certain individuals who symbolize identity with the KMT government equally are to be deplored. Three of the individuals who currently are serving jail sentences in Taiwan are personal friends of mine. It is my desire to have them released at the earliest possible moment. But, when you have violence, that prospect is diminished severely.

**VIOLENCE BEGETS VIOLENCE**

In addition, the relative of the mayor of Kaohsiung, with whom I disagree politically, but who I believe has the right to a free life with his family, was killed in Los Angeles 2 nights ago. This is to be greatly deplored. I would hope that we would recognize that violence only begets violence and furthermore we are running the danger of having a chicken and egg situation, where violence in one part of the world, the United States, may lead to violence in another part of the world, Taiwan.

As a country, it is deeply embarrassing for us to attempt to lecture another government when we ourselves cannot maintain

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order within our own society. For that, I think our own Government must apologize to the Government of Taiwan.

Thank you very much.

[Mr. Leach's prepared statement follows:]

PREPARED STATEMENT OF HON. JIM LEACH, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF IOWA

TAIWAN CRACKS DOWN ON POLITICAL DISSENT

Mr. Speaker, I should like to bring to the attention of my colleagues a series of developments in recent months on Taiwan which raise basic question for that island's future political stability, economic prosperity and amicable relations with the United States. The Iranian hostage crisis and the Soviet invasion of Afghanistan have so dominated the headlines that we have given insufficient attention to other serious international developments. One of these which merits our close attention is the increased political repression on Taiwan, which began last December and continues unabated today.

The people of the United States have maintained close relations and real affection for the people of Taiwan despite the changed circumstances dictated by our diplomatic recognition of the People's Republic of China (PRC) and unilateral termination of the U.S.-Taiwan Mutual Defense Treaty.

It is, of course, presumptuous for a citizen of one country to give advice to the government of another. It is particularly presumptuous when we as American are partly responsible through our ham-handed diplomacy for jeopardizing political stability on the island.

But the United States and Taiwan share a common philosophical heritage and common strategic interests.

The courage and conviction of great men such as Thomas Jefferson and Dr. Sun Yat-sen transcend national borders. In the absence of formal diplomatic relations, it is extremely important that informal ties between our two societies are not only maintained, but enhanced. While it is understandable that the precipitous manner in which the Carter administration recognized the Peking Government should occasion increased anxiety on Taiwan, the movement suggested by recent events toward a more repressive society in Taiwan can only serve to impair the possibility of a strengthened new relationship between our peoples.

In international politics, Taiwan is considered by some to be an independent nation-state, by others a province of the People's Republic of China, by itself, and a very few others, as the seat of the Government of all of China. But in essence, it is none of these. Taiwan cannot realistically be considered a nation-state if its own Government refuses to accept this status. It cannot be considered a province of the People's Republic of China as long as the people and Government of the island refuse to embrace Peking's claim to hegemony. Nor can the authorities on Taiwan continue their pretender role as the Government of all of China when neither the Chinese people nor the vast majority of the people of the world sanction their claim. Taiwan is an international pariah—a people without a country; a government without a basis of legitimacy.

UNOFFICIAL TIES WITH US

Taiwan bases its foreign policy on strong unofficial ties with the United States, and in turn our government is committed to the proposition that the Taiwan issue be settled peacefully. The United States is prepared to assist Taiwan in maintaining appropriate defense capabilities. No change in the international status of Taiwan can properly be countenanced without the active consent, democratically expressed, of the majority of people on the island. Such consent must never be the subject of coercion, either from an elitist domestic political leadership or a threatening PRC. Accordingly, the U.S. must be prepared to sell Taiwan such weapons as may be required to maintain a credible defense against foreign aggression, including the FX fighter aircraft, but not weaponry exclusively applicable to maintaining repressive control over the civilian population.

Historically, trade and investment have played a crucial role in U.S.-Taiwanese relations. American firms have invested more than \$605 million on the island, and Taiwan is our seventh largest trading partner with a two-way trade in 1979 in excess of \$9 billion. Taiwanese prosperity is heavily dependent on the American market, with 40% of total Taiwanese exports sold to the United States.

Mr. Speaker, as a Republican and long-time supporter of Taiwan, I have followed political developments on the island with special interest. It saddens all of us interested in the future of Taiwan to see a pattern of growing political repression which, if not reversed, could jeopardize the impressive economic and social progress that Taiwan has made in recent decades.

By way of background, it should be noted that under President Chiang Ching-kuo the native Taiwanese majority which represents 85% of the island's population has achieved a slightly greater voice in the Taiwanese political system than allowed under Chiang Kai-shek. A few native Taiwanese have been recruited into senior positions in the government and non-Kuomintang (KMT) party candidates have been allowed to hold positions in the Taiwan Provincial Assembly and to serve in some instances as majors and county executives.

Nevertheless, an oppressive range of political restrictions are in force in Taiwan. The KMT is the dominant political party and no real opposition party is permitted to function freely. The President has almost unlimited emergency powers, under which martial law and firm security measures are in effect. Certain political views cannot be expressed, such as support for the independence of Taiwan, opposition to the government's claim to represent all of China and advocacy of improved relations with the PRC. In the national legislative Yuan (Taiwan's equivalent to Congress) the vast majority of representatives are Mainlanders, elected more than 30 years ago from various provinces now controlled by the PRC.

#### FORMOSA MAGAZINE

The recent internal political problems in Taiwan originate in the efforts of a group of government critics to use the monthly magazine *Formosa* to express their political views and to organize a framework of opposition to the ruling KMT party. This "non-party" opposition was perceived by KMT authorities to carry the seeds of a dangerous quasi-party alternative to single party government.

Many Taiwanese opponents of the KMT, including some elected officials, associated themselves with *Formosa* magazine. Eleven offices of the magazine were opened throughout Taiwan, a series of rallies were held in 1979 and the circulation of *Formosa*, which published four issues, grew to 90,000. The increasing popularity of *Formosa* and the growing political boldness of its leaders became a source of mounting concern to the ruling party and to certain conservative elements within the military and police hierarchy.

On December 10, the magazine sought to sponsor a rally and march in Kaohsiung, Taiwan's second largest city, to commemorate International Human Rights Day. Violence ensued, with the government claiming that 183 policemen were injured by rioting demonstrators. While there is considerable debate as to whether the government sought to provoke an incident to justify a crackdown on the opposition or whether some of the government's critics wanted a confrontation in order to dramatize their views, there can be no question that the incident and the way it has been handled represent a major set-back to broadened political participation in Taiwan.

#### KAOHSIUNG SPEECHES

I have personally reviewed at length a transcript of speeches delivered at the Kaohsiung rally and would like to stress that I find no credible evidence for the government's claim that those arrested advocated sedition or violent overthrow of the government. Repeatedly speakers appealed for calm. Typical admonitions were:

Wang Tuo: "We want to prevent all violence. Don't let those troublemakers stir up violence among you."

Shih Ming-te: "Let the Taiwanese soldiers go. Don't beat the Taiwanese soldiers."

Yao Chia-wen: ". . . the problems of struggling for human rights and political rights cannot be solved in a brawl . . . we must all demonstrate that we are calm and rational, that it isn't true that we can only fight, that we want to calmly struggle for our human rights and political rights."

Lu Hsiu-lien: ". . . we use only words, not guns."

Chang Chun-hung: "Everyone stop moving! . . . Stop! The troops are coming forward. Everybody stop moving. Nobody move! (repeated 16 times)."

K'ang Ning-hsiang: "I want to tell you that the most important thing today is not to have a conflict with the riot troops . . . As I stand here today, I plead and I hope that everyone will stay calm. Commander of the riot troops, please don't haphazardly take action. If you do, then I can only repeat what I've already

said: you will be the first in the history of Taiwan (to attack your own people when they are quietly listening to a lecture)."

Huang Hsin-chieh: "Everyone, please don't move, don't be so noisy. Commander of the riot troops, you will have to take all the responsibility for what happens."

The early part of the rally was characterized by chants ("Long live the Taiwanese people . . . Oppose the one party dictatorship") and by the singing of songs. One entitled "I Hope You Come Back Soon" was an allusion to political prisoners and "Hoping for the Spring Wind" expressed an understood desire for political change. From an American's perspective, the most interesting was a variation of the civil rights anthem of the '60's: "We Shall Overcome." The Kaohsiung refrain went: "We will stand up, we will stand up someday. In my heart I do believe, without any doubt, we will stand up someday."

While it is true that a number of statements made by the rally's leaders were contentious and critical of the government, with few exceptions, mostly from the crowd, violence was decried. Speakers commented on everything from the safety hazards surrounding nuclear plant placement to the juridical history of Taiwan. Taxation without representation was a theme. "They (the KMT) collected thirty years worth of our taxes, but we have no one to oversee their spending." Chi Wan-sheng argued.

Historical analogies were frequent: "Remember that in the Ch'in Dynasty the king burned the books and killed the intellectuals. What about today? We can be arrested for saying one word; we cannot say one sentence of criticism without risking arrest and, 3, 5, or 10 years in prison." (Hung Ch'wan-ch'i)

As the knot of riot police tightened, the observation of Chang Ch'un-nan was particularly poignant: "In the old days, if you wanted to capture a castle, you would always blockade one gate, leaving three open for people to escape."

Unfortunately there was no escape gate for the participants at the Kaohsiung rally, as there is no institutional escape valve for popular feelings in any society that lacks democratic representation and the freedom to speak and assemble.

A total of 51 persons were indicted in connection with the Kaohsiung incident and were tried in three groups in what is the most significant series of political trials in recent Taiwan history.

#### FIRST EIGHT DEFENDENTS

The first group of eight defendants, all leaders of the Taiwanese democratic opposition, were tried from March 18 to 28 by a military court on charges of sedition. They were accused of attempting to overthrow the government of Taiwan; of fomenting violence by holding frequent illegal rallies; endangering Taiwan's security; destroying its economy; of plunging the island's society into chaos; and of serving as tools of the Chinese communists and seditious elements abroad by advocating the independence of Taiwan.

According to the indictment against the eight, the leader, Huang Hsinchieh, asked a Taiwanese businessman to arrange to import eel fry from China through Japan for sale in Taiwan with the profits to be used for seditious political purposes. The businessman visited Peking and returned, the prosecution alleged, with a PRC promise to make Huang governor of an outonomous Taiwan province under communist rule. The military prosecutor requested death sentences, the maximum penalty for sedition, for all eight.

A brief identification of each of the eight defendants shows a common background of non-communist political opposition to the KMT government:

1. Huang Hsin-chieh, 51; senior opposition leader and member of Taiwan's Legislative Yuan; publisher of Formosa.
2. Chang Chun-hung, 42; member of the Taiwan Provisional Assembly; chief-editor of Formosa and other opposition magazines barred by the government; former member of the KMT Central Committee.
3. Ms. Chen Chu, 30; writer; human rights leader and deputy director of the Kaohsiung office of Formosa.
4. Lin Hung-Hsuan, 37; Ph.D. candidate in theology at Drew University; executive of the Kaohsiung branch office of Formosa.
5. Lin Yi-hsiung, 38; member of the Taiwan Provincial Assembly; lawyer; coauthor of two books on elections in Taiwan and an outspoken critic of the KMT government. Circulation manager of Formosa.
6. Ms. Lu Hsiu-lien, 36; prominent women's rights leader in Taiwan; holds masters degree from The University of Illinois and studied at Harvard Law

School, where she researched a book, "Taiwan's Past and Future," which is banned in Taiwan. Deputy director of Formosa.

7. Shih Ming-teh, 39; manager of Formosa; found guilty of sedition for political activities and sentenced to life imprisonment in 1959. His sentence was reduced to 15 years in 1975 and he was released in 1977.

8. Yao Chia-wen, 42; well known lawyer, who has defended prominent political cases in Taiwan; chairman of Formosa Foundation; coauthor of two books on elections in Taiwan.

#### OPEN TRIALS

The conduct of the trial was remarkably open by Taiwanese standards. Press and foreign observers, including representatives of the American Institute in Taiwan and Amnesty International, were allowed to attend. The defendants and their lawyers were permitted to argue their cases at length. Most remarkable of all, the government permitted the censored press to run almost verbatim accounts of the proceedings which, since the eight explained their political views at length, provided them an unprecedented public forum for expression of their political philosophy.

The trial received wide international attention. The prosecutor's case, on which the eight were found guilty, was built on technical, legal grounds concerning the definition of sedition in Taiwan's military law. The confessions, on which the court relied heavily, were obtained during several months of interrogation under what were, by Western standards, harsh conditions.

Emphasis in the government's case and in the sentencing was placed on the group's alleged intentions and acts to overthrow the government by "illegal means" specified as publishing Formosa, opening branch offices, for the magazine contacting government critics abroad and inciting the Kaohsiung riot. These conspiratorial acts were allegedly led by a "five man group" which had "short range and long range power seizure plans."

The defense, rather than challenging the court's interpretation of the law, instead pointed out that the confessions had been obtained under duress and used the courtroom as a forum for political debate. To a considerable extent the defendants succeeded in convincing outside observers that they were not engaged in subversive activities, and that the government was using Taiwan's strict martial law against them for essentially political purposes. Outside observers simply could not fault the desire of the defendants to promote freer political expression, to establish responsible opposition to the dominant KMT party, to publish a non-censored political magazine, to abolish martial law, and to bring about gradual change in the archaic political institutions on Taiwan. While these objectives might be viewed by KMT leaders as radical, they appeared moderate and responsible in the context of Western as well as Asian democracies like Japan and Singapore.

Almost all of the defendants noted that their confessions were not made voluntarily, that they were extracted in the course of exhausting interrogations in which they were allowed very little sleep over many days and that they had been threatened with death if they did not sign. While none claimed openly to have been tortured, it seems clear that at a minimum they were subject to severe psychological pressure, intimidation and harassment during their lengthy interrogations. During this interrogation process, the defendant did not have access to lawyers. They were kept isolated from each other and denied visits from relatives and friends. However, during the trial itself lawyers were allowed to assist in the defense.

On April 18, the eight defendants were found guilty of seditious intentions and activities. Shih Ming-teh, who lead the December 10 rally, was sentenced to life imprisonment, a sentence required since he was on parole from a previous life sentence. National Assemblyman Huang Hsin-chieh received 14 years and the remaining six were sentenced to 12 years each. These included Lin Yi-hsiung, whose mother and twin nine-year old daughters were brutally knifed to death under mysterious circumstances shortly before the trial commenced. The murders are still unsolved despite the very large reward for information being offered by the authorities.

#### SECOND TRIAL

The second Kaohsiung trial of 33 defendants, indicted on charges other than sedition, began before a civil court on April 16. The defendants in this trial had varied backgrounds—some were active with *Formosa*, some were critics of the government with only loose connections to the magazine, and others were mere passersby who were caught up in the demonstration. Like the military trial of the

eight, this trial was also opened and observed by press and outside representatives, including the American Institute in Taiwan.

The defendants denied many of the allegations the prosecution made against them. Several testified they were abused during their interrogations in efforts to force them to sign prepared confessions. Several noted they were forced to eat salty rice and drink salt water which prevents normal bowel movements and causes serious bloating. Some admitted to being beaten. One defendant, who was illiterate, was forced to sign his confession, even though he could not read its contents. Another was only allowed thirty minutes to an hour of sleep at a time during the interrogation process. Another, interrogated for 45 days, was told that if he didn't sign there were three ways to force him to do so—by beating him until he was faint, by binding his hands and feet or by having a doctor give him an injection.

Sentences handed down on June 2 for the 33 defendants averaged 4 to 6 years imprisonment for most. Several received lighter sentences and one was found "not guilty."

The third group of ten Kaohsiung defendants were not directly involved in the December 10 incident but were charged with either helping Shih Ming-teh to hide or failing to report his whereabouts to the authorities. Five of the ten were indicted on April 28 under a sedition statute, and were subsequently tried by a military court.

The most prominent member of this group is Dr. C. M. Kao, General Secretary of the Presbyterian Church of Taiwan. Dr. Kao is an internationally respected clergyman whose sudden arrest on April 24 shocked his Christian colleagues in this country and elsewhere.

Dr. Kao's arrest also sparked concern that freedom of worship might be as jeopardized as the right of free speech and assembly on Taiwan. Several of the other defendants are Presbyterian activists, including Lin Wen-chen, a single parent of two U.S. citizen daughters, who might still be in the United States had she not returned to Taiwan two weeks before her naturalization hearing to care for her ailing mother.

Dr. Kao explained his actions in helping Shih Ming-teh at the time the latter was sought by the police as dictated by his conscience as a Christian. His efforts along with those of other church members, were rewarded June 5 with prison terms of seven years, in Dr. Kao's case, five years for Miss Lin and lesser penalties for most of the others.

Mr. Speaker, following Dr. Kao's arrest I wrote to President Chiang Ching-kuo urging clemency for the Kaohsiung defendants, the release of Dr. Kao and the rescheduling of local elections postponed since December 1978. In my view and that of many analysts and observers of events in Taiwan, such steps are essential to restore the trend of political liberalization evident prior to the Kaohsiung incident. In their absence, I fear that political instability on the island will increase with the possibility of the Taipei government following the path of the government in Seoul.

It is in the interest of the United States to promote constructive political change in Taiwan before the alternatives of radicalism and repression preclude moderate solutions.

In this regard, it should be noted that the government's options are complicated further by far right opposition as well as that springing from those whose position is associated with the magazine Formosa. Unfortunately the right wing propagandist activists are increasingly resorting to violence and slanderous propaganda to achieve their aims. In recent months, for example, commentators from several right-wing newspapers have been especially strong in leveling unsubstantiated charges against the anti-KMT Taiwanese political activists and, around the time of the Kaohsiung incident, a series of violent attacks against the offices and homes of Taiwanese dissidents took place.

#### BROADENING POLITICAL PARTICIPATION

To broaden political participation without precipitating violence will not be easy. It is, however, imperative to try, for as the government's claim to the Mainland becomes less meaningful in the eyes of the world, a new basis for legitimacy must be found.

Generally speaking, legitimacy derives from either historical claim or consent of the governed. There is a distinction between a government in exile and a government claiming to represent the political aspirations of the Taiwanese people. U.S. recognition of the PRC implies our assessment that the Civil War



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in China is over. The nationalist claim to the Mainland would appear fictional and its basis of consent on the island lacking democratic test.

Governmental authority in any society is based either on force or consent. The former implies violence and injustice; the latter cooperation and stability the choice of approach at this juncture in Taiwan's history belongs exclusively to the government not the dissidents. People don't rebel against themselves, only their institutions. If institutions reflect popular will, violence will be obviated.

Accordingly, friends in America of Taiwan are convinced that the time has come to establish a new basis for legitimacy—that of "consent of the governed." In the words of Dr. Sun Yet-sen: "Such a government will be the most complete and the finest in the world and a State with such a government will indeed be of the people, by the people, and for the people."

Taiwan is at a watershed in its history. Time would appear to be on the side of the moderates both inside and outside the government who favor steady progress toward greater participatory democracy, but time is most assuredly not on the side of those who seek either a return to the heavyhanded repression of the past or precipitous and violent political change.

The Taiwan Relations Act of 1979 clearly states "the preservation and enhancement of the human rights of all the people on Taiwan are hereby reaffirmed as objectives of the United States." The repressive political trend evident on Taiwan for the past several months should give the United States serious pause to question whether both our national interest and the legislation we passed are being well served.

If compassion can be extended to those imprisoned and broadened political participation authorized for all the people of Taiwan, the future may be brighter than the situation would now seem to warrant.

#### LEARN THROUGH EXPERIENCE

Fortunately, people learn through experience and it would appear that the Kaohsiung incident was a bad experience for both sides. One of the reasons the rally got out of hand is that neither the Taiwanese authorities nor the dissidents had any adequate experience in dealing with democratic political rallies. No one seemed to understand that the collective action of a crowd can sometimes be very different than the individual judgments of the majority of its members. Repetition of the December 10 violence is less likely because each side has learned from its mistakes.

In addition, President Chiang has moved forthrightly to reschedule the elections postponed since December, 1978, and decreed that the number of seats reserved for Taiwanese in the legislative Yuan will be doubled.

In a recent speech President Chiang called on the nation to "heal the wound," "bind up the injury and eradicate the scar" created by the events surrounding the Kaohsiung incident. The way to heal the wound, he said, "lies in taking the enlightened modern road of democracy. We know that only by following the sound route of democratic government can we harmoniously rectify extreme tendencies and accommodate conflicting views."

These are wise words, and it is the hope of all concerned citizens of the world that they can be given the meaning of example on Taiwan.

Mr. WOLFF. Thank you very much, Mr. Leach. Your complete statement has been included in the record. I would like you to join our panel, if you have the time.

Mr. LEACH. Thank you, Mr. Chairman. I would be delighted to do so.

Mr. WOLFF. I would now like to ask Mr. William P. Thompson, stated clerk of the United Presbyterian Church, United States of America, to give us his statement.

I might say, Mr. Thompson, that there was some very serious question when this subcommittee was in Taiwan as to a campaign directed at the Presbyterian Church. Those concerns were transmitted to the highest levels of government in Taiwan to make certain that there was an indication on the part of the Congress of the United States that we would view any campaign directed at religious denominations to be

inimical to the U.S. interests and activities in connection with the CCNAA and all of its activities.

With that in mind, we came to you because you are a voice of the church in America and therefore we appreciate receiving your testimony.

**STATEMENT OF WILLIAM P. THOMPSON, STATED CLERK,  
UNITED PRESBYTERIAN CHURCH, UNITED STATES OF  
AMERICA**

Mr. THOMPSON. Thank you, Mr. Chairman.

The United Presbyterian Church was well aware of the concerns expressed by you and other Congressmen when you were in Taiwan.

We appreciated your concerns because we share the feelings which you have regarding the welfare of the Presbyterian Church in Taiwan.

Let me begin by identifying myself.

My name is William P. Thompson. As you have indicated, I am the stated clerk of the general assembly of the United Presbyterian Church. This is the permanent officer of the highest governing body of the church or, to put it another way, the chief executive officer of the general assembly.

Unlike my predecessors, I am not a minister. I am a lawyer by training and practiced that profession for 20 years before being elected to the office I now hold.

In 1965, I was chosen moderator of the general assembly of the United Presbyterian Church and in that capacity I went to Taiwan to participate in the centennial celebrations of the Presbyterian Church in Taiwan.

Since that time, I have been deeply interested in Taiwan and have visited that island on numerous occasions, representing the World Council of Churches, the World Alliance of Reformed Churches, and my own church.

My most recent visit was from May 10 to 14, 1980, when I was a member of the delegation representing the World Council of Churches and the World Alliance of Reformed Churches, which included, in addition to me, the Reverend Edmond Perret of Geneva, Switzerland, the general secretary of the World Alliance of Reformed Churches, and Probst Uve Höllm of West Berlin, who is the deputy bishop of the diocese of Berlin-Brandenburg West of the Evangelical Churches of Germany.

At that time, we were in Taiwan to express solidarity with the Presbyterian Church of Taiwan upon the occasion of the arrest of their general secretary, Dr. C. M. Kao.

I am particularly pleased to have the opportunity to testify today before this subcommittee concerning our relations with Taiwan against the background of the Taiwan Relations Act. My own testimony I would like to concentrate on the implications of section 2(c) of that act, which expresses the policy of the U.S. Government regarding human rights for all of the inhabitants of that island.

I am accompanied today by Dr. Newton Thurber, who is the liaison officer of the United Presbyterian Church with churches in East Asia.

My statement is rather lengthy. There are exhibits attached to it. I would like to offer it in its entirety for the record and will summarize it briefly.

Mr. WOLFF. Without exception, your entire statement will appear in the record.

Mr. THOMPSON. Thank you.

We are particularly concerned about the fact that the constitutional guarantees of fundamental human rights have been suspended in Taiwan by the declaration of martial law in 1949. We need to remember that martial law has prevailed for more than 30 years and, even at its inception, it was of questionable legality.

One is also deeply concerned at the failure of the Government there to revise its constitution to coincide with the historic reality of its present situation and its reluctance to carry out general elections means that the vast majority of the population has but a very limited voice in its own affairs.

#### RELIGIOUS FREEDOM

I particularly wish to call your attention to the situation which prevails in relation to freedom of religion for the people of Taiwan.

As a specific case, I would like to share with you some of the experiences during the last 10 years of the Presbyterian Church in Taiwan, which has 170,000 members, and is the oldest as well as the largest Protestant Church there.

In 1970, at the insistence of the Government, the general assembly of that church withdrew its membership from the World Council of Churches. This has been distressing. It has meant that the church was cut off from the world church and the concerns of churches in other parts of the world had to be communicated to it indirectly.

The next incident was in 1971, when the church issued a public statement on our national fate, or, perhaps more properly translated, destiny. This happened shortly before President Nixon's visit to the People's Republic of China and the public statement affirms that human rights are ordained by God and that the future of Taiwan should be determined by the people of that island.

The Presbyterian Church has been under considerable pressure since that time to give up its understanding of the mission of the church gained from the Bible itself, that the mission must include concern for the well-being of all people.

Shortly after that, the printing and distribution of the Bible in the mother tongue of the people of Taiwan who make up the membership of this church was banned.

This was followed in 1975 by a statement issued by the Presbyterian Church entitled, "Our Appeal," which insisted upon the rights of the people to have the scriptures available in their own language and upon the theological necessity for the church to be a part of the world ecumenical fellowship.

The "Appeal" was followed shortly thereafter, in 1977, by "A Declaration on Human Rights." This addressed the Government of the United States urging it to uphold the principles of human rights and "insisted that the future of Taiwan shall be determined by the 17 million people who live there." At the same time, the "Declaration" was addressed to their own Government and urged that Government "to face reality and to take effective measures whereby Taiwan may become a new and independent country."

CALLED IN FOR QUESTIONING

Subsequent to the issuance of that statement, the leadership of the church was called in for questioning by the Religious Affairs Department of the Central Committee of the Nationalist Party, and the August 21 issue of their denominational newspaper, which contained the declaration was confiscated. Newspapers which were responsive to the policies of the Nationalist Party used frequent editorials and unsigned letters to attempt to build a case that the "Declaration" reflected only the views of a few people and that the church should not meddle in politics.

Efforts were made unsuccessfully by outside groups to discredit the leadership of the church and to influence the decisions of the Northern Synod and the General Assembly of April 1978, to renounce the "Declaration."

In May, the Minister of Interior issued a directive to the Presbyterian Church demanding the withdrawal of the "Declaration."

Instead, the church issued statements to clarify misunderstandings about it and to give the theological basis for issuing the "Declaration."

Subsequently, the Ministry of Interior proposed a revision of the "Regulations for Shrines and Temples" so that it would include non-hierarchical churches. The way in which this draft was proposed, it clearly did not apply to Catholic and Episcopal or Anglican Churches. It was, in fact, directed against the Presbyterian Church, which the Government was wishing to regulate with a greater degree of force.

The proposed draft included provisions that, "Religious doctrine, religious ceremonies, and religious activities may not oppose the law or disturb public order and good social customs," and that, "Preaching must be done in public in the Chinese language," or, in other words, in the Mandarin dialect.

It would further provide that "If a temple, shrine, or church breaks the law or acts in contravention of its established aim or against public interest, "the Government authorities may take several actions culminating in the confiscation of property and assets."

This proposed draft was advanced by the Administrative Yuan and the revisions were considered by the Legislative Yuan, where heavy opposition in the religious community not only in Taiwan but around the world resulted in their withdrawal by the Ministry of Interior for further consideration. Great concern is felt that this proposal in some slightly changed draft will be introduced shortly.

ARREST OF DR. KAO

At last April's General Assembly of the Presbyterian Church, that church took a unanimous decision to approve rejoining the World Council of Churches, despite the strong objections of the Government. Several days later, Dr. C. M. Kao, the general secretary of the church, was arrested. He was quickly tried and sentenced to 7 years in prison, 5 years loss of civil rights and loss of property. The ostensible reason for the sentencing of Dr. Kao is his failure to report to authorities the whereabouts of Shih Ming Teh, a man personally unknown to him during the time that Shih was being sought by police in connection with the Kaohsiung incident.

I then detail in some greater length the incidents surrounding the observance of Human Rights Day in Kaohsiung on December 10, 1979, in my statement.

#### CHURCH RESOLUTIONS

In relation to all these events, the United Presbyterian Church through its general assembly, the highest representative governing body of the church, and its program agency, a mission agency which is engaged in mission in partnership with the Presbyterian Church in Taiwan, has issued resolutions which are attached to my testimony and which you have indicated, Mr. Chairman, will be admitted to the record.

These statements affirm in the first instance, in the words of the Taiwan Relations Act, that the "preservation and enhancement of the human rights of all people on Taiwan are hereby reaffirmed as objectives of the United States." The centrality of this concern for human rights, including the freedom of religion, is affirmed by the statements of the United Presbyterian Church.

The second concern is to urge the authorities in Taiwan to take two steps: To carry out free elections for the Legislative Yuan to be held in Taiwan in the near future in which all opposition candidates may freely participate; and, second, to lift martial law and reestablish freedom of speech, press, assembly, and religion for all of the people of Taiwan.

In many ways, these coincide with the provisions of House Resolution 708, submitted by Congressman Jim Leach. I would urge favorable consideration of that resolution by this subcommittee.

A continuing problem for peace and security in Taiwan and for those concerned for the welfare of the people there is the reluctance of the Kuomintang, which essentially has maintained one party control, to allow the existence and organization of opposition political groupings. The result is apparent confusion in the minds of many officials between legitimate support of alternative political policies and sedition.

I would like to take advantage of this occasion also to express appreciation for the activities of the officers of the American Institute in Taiwan who have repeatedly demonstrated their concern for the human rights of the people of that country.

Thank you again for your attention.

Mr. THOMPSON's prepared statement follows:]

#### PREPARED STATEMENT OF WILLIAM P. THOMPSON, STATED CLERK, UNITED PRESBYTERIAN CHURCH IN THE U.S.A.

I am William P. Thompson, Stated Clerk of the United Presbyterian Church. I am a lawyer by profession and served on the staff of the Chief of Prosecution during the trial of major war criminals before the International Military Tribunal in Japan following World War II. In 1965, I was chosen Moderator of the United Presbyterian Church and in that capacity went to Taiwan to participate in the Centenary Celebrations of the Presbyterian Church there. Since that time I have been deeply interested in Taiwan and have visited that island on numerous occasions representing The World Council of Churches and the World Alliance of Reformed Churches as well as my own church.

I am most pleased to have the opportunity to testify today before this Subcommittee concerning our relations with Taiwan against the background of the Taiwan Relations Act. I would like to pay particular attention to the implications of Section 2(c) of that act which reads:

"Nothing contained in this Act shall contravene the interest of the United States in human rights, especially with respect to the human rights of all the approximately 18 million inhabitants of Taiwan. The preservation and enhancement of the human rights of all the people on Taiwan are hereby reaffirmed as objectives of the United States."

I want to express great satisfaction in the inclusion of this paragraph in Section 2 of that act which deals with Findings and Declaration of Policy. The religious community of the United States supports the concern expressed in that Section for "peace, security and stability in the Western Pacific" and would affirm that "the preservation and enhancement of the human rights of all the people on Taiwan" is integrally related to that objective. It is clear that to the degree that human rights are denied to a people, to that extent there is a potential destabilizing force at work within that situation. Similarly, when human rights are only partially available to substantial segments of the population, the internal unity of a people is threatened. Both of these factors have been and are part of the reality of Taiwan. The inclusion of the paragraph on human rights has been a source of hope for many Taiwanese and a faithful expression of the concern of the American people as our nation relates to the people of that island.

#### HUMAN RIGHTS

Since human rights are never fully realized and the achievement of particular human rights are the fruit of constant struggle, it is most appropriate that this committee review the extent to which "the preservation and enhancement of the human rights of all the people on Taiwan" have been realized as objectives of the foreign policy of the United States.

In giving consideration to this matter of human rights in Taiwan, I would want to affirm that our basic concern is the welfare of all the people of that island. At the same time, it is appropriate to recognize the achievements of the government in Taiwan especially in its ten major development projects and in the realization of remarkable economic growth. My hope would be that the leadership of that government would recognize the need to integrate such developments with similar progress in other human rights.

The scope of human rights concerns held by the American people is reflected in "The Universal Declaration on Human Rights." As we consider their application to Taiwan, one is distressed by the fact that the constitutional guarantees of fundamental human rights have been suspended in Taiwan by the declaration of martial law in 1949. The continuation of martial law in Taiwan for more than 30 years makes it the longest in modern history. It should be noted that martial law in Taiwan was initiated, and is today continued, on the basis of questionable legality.

One is also deeply concerned that the failure of the government there to revise its constitution to coincide with the historic reality of its present situation and its reluctance to carry out general elections means that the native population of Taiwan which constitutes an 85 percent majority has been denied the right of full and proportionate participation in the political processes of the government during the past 30 years.

#### FREEDOM OF RELIGION

I would particularly want to call to your attention the situation which prevails in relation to freedom of religion for the people of Taiwan. If one were to accept a narrow definition of religious freedom as the freedom to carry out religious observances within buildings set aside for religious purposes, then one might affirm that the constitution's provision for freedom of religion is generally observed in Taiwan. If one, however, recognizes the breadth of the concern for the rights to freedom of opinion and expression found in Articles 18 and 19 of the Universal Declaration of Human Rights, one regretfully must come to another judgement about freedom of religion in Taiwan.

As a specific case, I would like to share with you some of the experiences during the last ten years of the Presbyterian Church in Taiwan which has 170,000 members and is the oldest as well as the largest Protestant church there.

In 1970, at the insistence of the government, the General Assembly of that church made the decision to withdraw from its membership in the World Council of Churches. The cause of the government's displeasure with the World Council of Churches was, seemingly, statements made at various meetings of that body concerning the reentry of the People's Republic of China into the fellowship of the world of nations.

In 1971, the Presbyterian Church in Taiwan issued "A Public Statement on our National Fate," shortly before President Nixon's visit to the People's Republic. The "Public Statement" affirms that human rights are ordained by God, and that the future of Taiwan should be determined by the people of Taiwan. It requests the government in Taiwan that "elections be held for all representatives to the highest government bodies" in order to strengthen democracy and solidarity at home and thereby, maintain national dignity in the international community. Since the issuance of the "Public Statement on our National Fate," the Presbyterian Church has been under considerable pressure to give up its Biblical understanding that the mission of the Church must include concern for the well-being of all people. Soon after the "Public Statement" was released, the printing and distribution of the Bible in the "mother tongue" of the people of Taiwan was banned. In 1975, the Presbyterian Church in Taiwan issued "Our Appeal" which insisted upon the rights of the people to have sacred scripture available in their own language and upon the theological necessity for the church to be a part of a world ecumenical fellowship such as is found in the World Council of Churches. "Our Appeal" reaffirmed the rights of the people in determining the future of the island and appealed to the Nationalist Government "to promote democracy and establish a society of justice and equality." Then in 1977, the Presbyterian Church in Taiwan issued "A Declaration on Human Rights." It appealed to the government of the United States to uphold the principles of human rights and "insist(ed) that the future of Taiwan shall be determined by the 17 million people who live there." At the same time, the "Declaration" urged the government in Taiwan "to face reality and to take effective measures whereby Taiwan may become a new and independent country."

Subsequent to its issuance, the leadership of the church was called in for questioning by the Religious Affairs Department of the Central Committee of the Nationalist Party and the August 21 issue of the "Taiwan Presbyterian Weekly" containing the "Declaration" was confiscated by the authorities. Newspapers responsive to the policies of the Nationalist Party used frequent editorials and unsigned letters to make the case that the "Declaration" reflected only the views of a few people and that the church should not meddle in politics. Efforts were made unsuccessfully by outside groups to discredit the leadership of the church and to influence the decisions of the Northern Synod and the General Assembly of April, 1978, to renounce the "Declaration." In May, the Minister of Interior issued a directive to the Presbyterian Church demanding the withdrawal of the "Declaration of Human Rights." Instead, the Presbyterian Church in Taiwan issued statements to clarify misunderstandings about it and giving the theological basis for issuing the "Declaration."

#### RELIGIOUS REVISIONS

Subsequently the Ministry of Interior proposed a revision of the "Regulations for Shrines and Temples" so that it would include non-hierarchical churches. These revisions seemed aimed at the Presbyterian Church and included provisions that "Religious doctrine, religious ceremonies and religious activities may not oppose the law or disturb public order and good social customs," and that "Preaching must be done in public in the Chinese language" (not the Taiwanese dialect which is the language of the majority and used by the Presbyterian Church). It would further provide that "If a temple, shrine or church breaks the law or acts in contravention of its established aim or against public interest, the government authorities may take the following action:

- (1) Give a warning.
- (2) Abolish whatever resolution was made in contravention of the above.
- (3) Make changes in personnel or organization.
- (4) Confiscate the property and assets."

After rapid passage by the Administrative Yuan, the proposed revisions were considered by Legislative Yuan where heavy opposition in the religious community in Taiwan and around the world caused their withdrawal by the Ministry of Interior for further consideration. Great concern is felt that a similarly ambiguous, threatening and unnecessary bill will be reintroduced by the Ministry at a later time for the purpose of controlling local congregations, and through them, the national churches.

At last April's General Assembly of the Presbyterian Church, a virtually unanimous decision was made to approve rejoining of the World Council of Churches despite the strong objections of the government. Several days later Dr. C. M. Kao, General Secretary of the Presbyterian Church, was arrested, quickly tried and sentenced to seven years in prison, five years loss of civil rights, and loss

of personal property. The ostensible reason for the sentencing of Dr. Kao is his failure to report to authorities the whereabouts of Shih Ming Teh (a man personally unknown to him) during the time that Shih was being sought by police in connection with the so-called Kaohsiung Incident.

One of the unfortunate aspects of the timing of the recognition by our government of the People's Republic of China was the occasion which it provided for postponing of the limited elections for the Legislative Yuan scheduled for December 23, 1978. In 1977 a goodly number of non-Nationalist Party candidates were successful in the Provincial Elections held on November 19. A similar public support for non-Party candidates had been developing in December, 1978, despite the government's prohibition of the organization of an opposition party. Following the indefinite postponement of that election, in early 1979 leading opposition candidates were arrested on a variety of charges. During the summer of 1979, the decision was seemingly made by opposition leaders to further their aim of developing a more democratic society in Taiwan through the publication of the magazine "Formosa." Within three months its circulation exceeded 100,000 copies and service offices were established in all the major cities.

#### KAOSIUNG INCIDENT

On December 10, 1979, an incident occurred in Kaohsiung, Taiwan, in connection with an observance of Human Rights Day sponsored by "Formosa Magazine" which resulted in alleged injuries to 183 police and probable scores of ordinary citizens. Following the incident almost all of the remaining opposition were arrested and tried on various charges including eight who were sentenced by court martial to 12 years to life in prison for what was called sedition. One of these is Shih Ming Teh; and another is Lin Yi Hsuing, a member of the Provincial Assembly whose mother and twin daughters were murdered while he was held incommunicado in prison. It is constitutionally questionable that an Assembly member should be tried by ordinary court martial.

The Presbyterian Church in Taiwan was adversely affected by these developments. Evangelist Hsu Tien Hsien was arrested while conducting Christmas services at the Na-Lai Presbyterian Church in Taiwan. Nine other ministers, staff members and graduates of the Tainan Theological College were arrested, held incommunicado, subjected to excessive coercion during questioning, tried and sentenced for acts which in other countries would not warrant arrest. They rather represent the pastoral and ethical concerns of Christians for the people of Taiwan.

#### UNITED PRESBYTERIAN RESOLUTIONS

In relation to these events, the United Presbyterian Church through its General Assembly and its Program Agency has issued resolutions which I would request be made part of the record of my testimony. Included in them are concerns which I would commend to your attention as human rights objectives of our nation as a friend of Taiwan. They are:

1. To affirm, in the words of the Taiwan Relations Act, that "the preservation and enhancement of the human rights of all people on Taiwan are hereby reaffirmed as objectives of the United States" and urge that all negotiations between our government and the authorities in Taiwan recognize the centrality of the concern for human rights including the freedom of religion.

2. To urge the authorities in Taiwan to take the following steps: (a) Carry out free elections for the Legislative Yuan to be held in Taiwan in the near future in which all opposition candidates may freely participate; (b) Lift martial law and reestablish freedom of speech, press, assembly, and religion for the people of Taiwan.

In many ways these coincide with the provisions of House Resolution 708 submitted by Congressman Jim Leach. I would urge favorable consideration of that Resolution by this Sub-Committee.

A continuing problem for peace and security in Taiwan and for those concerned for the welfare of the people of Taiwan is the reluctance of the Kuomintang which has essentially maintained one party control to allow the existence and organization of opposition political groupings. The result is apparent confusion in the minds of many officials between legitimate support of alternative political policies and sedition.

I would like to take advantage of this occasion to express appreciation for the activities of the officers of the American Institute in Taiwan on behalf of the human rights of the people of that country.

I want to thank you for your invitation to me to present testimony before you and for your courteous attention.



RESOLUTION ON ARREST OF CHURCH LEADERS IN TAIWAN

Adopted by the 192nd General Assembly (1980)

of

The United Presbyterian Church in the United States of America  
Detroit, Michigan, May 27-June 4, 1980

The General Assembly of The United Presbyterian Church in the United States of America has learned with deep distress of the arrest and trial of Dr. C. M. Kao, deeply respected General Secretary of the Presbyterian Church in Taiwan, along with nine other ministers and church members and forty other persons. This has occurred in connection with the so-called "Kaohsiung Incident."

Background:

Martial law has existed on Taiwan since the relocation of the government of the Republic of China on Taiwan in 1949. Under martial law the political participation of the Taiwanese in the processes of government has been severely limited and forms of political opposition to the continuing role by the Kuomintang have been constantly suppressed. In August 1979, persons advocating change in the present system organized to initiate a publication, the Formosa Magazine, to serve as a vehicle for public discussion and education on the issues facing Taiwan, made all the more urgent by the normalization of United States' relations with the People's Republic of China and the formal termination of relations with the Republic of China.

On December 10, 1979, the anniversary of the adoption of the Universal Declaration of Human Rights, a Human Rights Day Rally was sponsored by Formosa Magazine in the large southern port city of Kaohsiung. What was intended as a peaceful demonstration, through confusion and interference, turned into a violent clash between the riot police and the large crowds that had assembled.

Using this event as justification, the government of the Republic of China apparently determined to crush the democratic political opposition associated with Formosa Magazine by arresting and trying all of its leaders for attempting to overthrow the government. Eight of these persons, including a Presbyterian minister, were tried in court-martial and found guilty of sedition. Subsequently Dr. Kao and six other ministers and church members were tried in court-martial (May 16, 1980) for assisting the editor of Formosa Magazine as he eluded arrest for twenty-two days.

RESOLUTION ON ARREST OF CHURCH LEADERS IN TAIWAN

The trial of Dr. Kao must be seen in the context of consistent government pressure to silence the voice of the church, which has consistently called for self-determination for the people of Taiwan has refused to yield to governmental pressure to retract its Declaration of Human Rights, issued in 1977, and has reactivated its membership in the World Council of Churches, as of April 1980.

Concerns:

The United Presbyterian Church in the United States of America has made numerous expressions of concern regarding the self-determination of the Taiwanese people, the protection of human rights of people living under circumstances of martial law, and the preservation of the integrity and rights of the church to witness and serve wherever there is suffering and oppression.

Whereas the 187th General Assembly (1975) stated that "the governments of the United States, the Republic of China (Taiwan), and the People's Republic of China (Peking) should respect the Taiwanese basic right to self-determination" (Minutes, 1975, Part I, page 149); and

Whereas the 189th General Assembly (1977) called upon the United States government, as it pursued normalization with the People's Republic, to "develop strategies to protect the vital interests of all the people on Taiwan, especially the right to participate in the political processes which determine their future" (Minutes, 1977, Part I, page 488); and

Whereas the 190th General Assembly (1978) offered prayers for, and support to, the Presbyterian Church in Taiwan in its stand for "self-determination for the people of Taiwan" (Minutes, 1978, Part I, page 65); and

Whereas the 191st General Assembly (1979) asserted "that justice cannot be achieved and peace cannot be assured...until the Taiwanese people are accorded the rights guaranteed to all by the Universal Declaration of Human Rights..." It expressed "its sense of unity in Christ with the Presbyterian Church in Taiwan and support of that church's concern for...the right of the people of Taiwan to participate in decisions determining their future corporate life..." (Minutes, 1979, Part I, page 399);

Therefore, given the latest actions against the leadership of the Presbyterian Church in Taiwan and the continued unwillingness of the government to respond affirmatively to the expressions of hope of the Taiwanese people, the 192nd General Assembly (1980):

RESOLVED:

Therefore, given the latest actions against the leadership of the Presbyterian Church in Taiwan, and the continued unwillingness of the government to respond affirmatively to the expressions of hope of the Taiwanese people, the 192nd General Assembly (1980):

1. Expresses its confidence in the integrity and leadership of Dr. C. M. Kao, General Secretary of the Presbyterian Church in Taiwan, who is well-known throughout the Christian world as a committed pastor who follows in his daily life the teachings of our Lord and Savior Jesus Christ and that his disciples should minister to those in need, not counting the risk or costs to their own safety or security;
2. Expresses its respect for and solidarity with the Presbyterian Church in Taiwan and its leadership for its innovative evangelistic outreach, its devotion to the life of Christian discipleship, and its courageous nonviolent affirmation of the God-given rights of all the people of Taiwan;
3. Expresses its assurance to the families of those detained of its profound concern for their welfare and continuing prayer for their daily undergirding by Almighty God;
4. Expresses its hope that these cases may be speedily reviewed by those in positions of authority and responsibility in the Government of China, in eager anticipation that Dr. Kao and the others may be released to return to their posts of active leadership in the Presbyterian Church of Taiwan; and
5. Requests the Stated Clerk and other officials and staff of the United Presbyterian Church in the United States of America to make these concerns known to the government of the Republic of China, and to the United States government that it may advocate for justice in the varying ways in which it relates to the government in Taiwan, and to call on congregations of the United Presbyterian Church to request the members of Congress from their area to call for the release of the above mentioned persons in prison and the easing of restraints on religious freedom.

191st GENERAL ASSEMBLY (1979)

Resolution on Taiwan and the Democratic Way

Statement of Concern

The fundamental rights and freedoms affirmed in the Universal Declaration of Human Rights still elude the people of Taiwan. The establishment of formal diplomatic relations between the United States of America and the People's Republic of China, long recognized as desirable for world peace, while changing the context of life for the Taiwanese, has not changed the content of their existence. Basic political rights are still denied the people of Taiwan. The termination of formal U.S. relations with the Republic of China required by normalization serves to further isolate the Taiwanese from the world community, an isolation as undesirable and unfortunate for them as it had been for the people in the People's Republic during the past thirty years. The United Presbyterian Church affirming its commitment to justice and freedom for all and responding to the appeals of the members of the Presbyterian Church of Taiwan addresses all concerned.

Background

Four dimensions of the situation facing the people of Taiwan should be highlighted:

1. The ability of the 16 million Taiwanese to participate in self-government over the past thirty years has been restricted by the ruling Chinese minority of approximately one million which continues to identify itself as the legitimate government of all of China. Participation in the national assembly has been restricted to provincial representation, the mainland provinces still being represented by persons elected thirty years ago prior to the migration from the mainland. Hence the central government has been tightly controlled while local government has tended to be in the hands of Taiwanese willing to cooperate in the Kuo Min Tang. When the elections scheduled for December 1978 were cancelled following the announcement of the intent to establish formal diplomatic relations between the United States and the People's Republic of China, the modest hopes of Taiwanese for greater political participation were dashed. Taiwanese therefore continue to feel excluded by the Kuo Min Tang from meaningful participation in the government of their own land.

2. The normalization of relations between the United States and the People's Republic, seen as inevitable and desirable by most, was done in such a way as to once again preempt and preclude Taiwanese participation in decisions about their own future. The tacit assurance upon which normalization was based, that the People's Republic of

China will not use force in unification endeavors, assumed that the only possible accommodation that can be reached will be between the "Chinese on both sides of the Straits of Taiwan," that is the government of the People's Republic of China and the refugee government on Taiwan with the United States perhaps acting as a silent observer. The implication of such understandings are that whatever immediate or long-range agreements or accommodations are made will exclude the Taiwanese from meaningful participation in the process. The Taiwanese feel that again their destiny is being determined by others: fifty years under the Japanese, thirty or more under Kuo Min Tang, potentially again under other authorities whom they did not choose.

3. The further isolation of the people of Taiwan is not precluded by any provisions for continued United States economic and military support. The fact and fear exists that as long as the present political fictions are maintained, Taiwanese will be severely restricted in their ability to participate in the activities of the United Nations and in opportunities to share in cultural, sporting, and academic endeavors.

4. The continued intransigence of the government on Taiwan had lead to restrictions on the freedoms of the Taiwanese people. Evidence of this is cited in the recent statement by the Presbyterian Church of Taiwan, which has over the years challenged the practices and policies of the Kuo Min Tang:

Our love of country and our homeland has been at the cost of a high price: we have been and continue to be seriously misinterpreted and bitterly attacked. Soon after the Public Statement (1971) was released, the Bible in the "mother tongue" of the people of Taiwan was banned. Again and again our local congregations have been harrassed. Pastors from our church have been prohibited from traveling abroad and, most serious of all, the Church's holding body, the legal corporation, was nearly dissolved by a simple administrative order from the Ministry of the Interior.

Other burdens born by the Presbyterian Church of Taiwan are shared with the Taiwanese who have lived under martial law since the arrival in 1949 of the nationalist government.

Statement

Whereas the Universal Declaration of Human Rights is inclusive in its coverage: "Everyone is entitled to all the rights and freedoms set forth in this Declaration...no distinction shall be made on the basis of the political, jurisdictional, or international status of the country or territory to which a person belongs, whether it be independent, trust, nonself-governing or under any other limitation of sovereignty."

Whereas the Universal Declaration clearly asserts "Everyone has the right to take part in the government of his country, directly or through freely chosen representatives...the Will of the people shall be the basis of the authority of government."

Whereas the 189th General Assembly (1977) of the United Presbyterian Church summed up a tradition of concern regarding the future of Taiwan in the context of United States--People's Republic of China relations asserting that:

...The United States has been, since 1949, the primary power in maintaining the Republic of China on Taiwan by its extensive political, economic and military support, and therefore has responsibilities for the effects that changes in policy will have upon that land and those people;

...past concerns of General Assemblies of the United Presbyterian Church regarding Taiwan have not been realized; conflicting claims have not been withdrawn; the Republic of China no longer has a place in the United Nations; and the rights of political participation by the Taiwanese have not been substantiated by the Nationalist party;

...whatever happens in the political realm has and will have a tremendous impact on the Christian community in Taiwan...(See Minutes, 1977, Part I, p. 488.)

Whereas the 189th General Assembly (1977) called upon the United States government to "Develop strategies to protect the vital interests of all the people on Taiwan, especially the right to participate in the political processes which determine their future." (Ibid., p. 488.)

Therefore, the 191st General Assembly (1979) while affirming the normalization of relations between the United States and the People's Republic of China:

1. Again asserts that justice cannot be achieved, and peace cannot be assured in East Asia until the Taiwanese people are accorded the rights guaranteed to all by the Universal Declaration of Human Rights, and that no expediencies should be allowed to obscure those rights or arbitrarily preclude their attainment;

2. Expresses its sense of unity in Christ with the Presbyterian Church in Taiwan and supports that church's concern for human rights with special reference to the right of the people of Taiwan to participate in decisions determining their future corporate life;

3. Affirms its sympathy for the fervent hope of Taiwanese Christians that responsive and reliable means be developed to enable their people to take part in the government of that land;

4. Urges that those responsible make every effort to carry out in a free and open way the elections originally scheduled for December 23, 1978;

5. Instructs the Stated Clerk to forward copies of this resolution to the General Secretary of the Presbyterian Church in Taiwan, to responsible governmental officials in that land, and to the President of the United States.

## Human Rights on Taiwan

Adopted in response to Overture 19 from the Presbytery of Gulf Coast.

Whereas many members of the United Presbyterian Church have been strengthened in their own faith by the witness of the Presbyterian Church in Taiwan found in the Declaration of Human Rights of August 16, 1977, issued out of 'love for God, for our country and for our fellow men,' and

Whereas our oneness in Christ causes us to wish to express our support and encouragement for the courageous stand our sisters and brothers of the Presbyterian Church in Taiwan have taken, and

Whereas the 187th General Assembly (1975) stated that 'the government of the United States, the Republic of China and the People's Republic of China should respect the basic right of the people of Taiwan to self-determination,'

Therefore the 190th General Assembly (1978) resolves:

1. To communicate our support and prayerful concern for our sisters and brothers in the Presbyterian Church in Taiwan to Dr. M. C. Kao, General Secretary of the General Assembly in Taiwan;
2. To communicate our support and concern for human rights and the right of self-determination for the people of Taiwan to the President of the United States, the Secretary of State, and to the Congress, especially the Senate Foreign Relations Committee and the House Committee on East Asian Affairs;
3. To communicate with all congregations of the United Presbyterian Church in the United States of America, so that congregations and individual Presbyterians might make their own witness known; and
4. To offer prayers to Almighty God for the safety of those people all over the world who speak out for human rights, thanking him for their courage and faith, and asking for guidance in ways we might give our witness in this critical area of our lives together.



### Religious and Political Freedom in Taiwan

The people of Taiwan continue to endure political and religious repression, as evidenced by the confiscation of romanized Taiwanese Bibles, on January 16, 1973, the subsequent confiscation of Tayal-language Bibles, and the prohibition of Japanese-language Bible study. These actions were taken by the Republic of China government, following its policy that Mandarin Chinese and traditional character writing are the only acceptable forms of language. This leaves a segment of the population unable to study the Bible in its native language.

Within the total population of 16 million people, of whom 14 million are Taiwanese speaking, the Christian community in Taiwan includes some 350,000 Roman Catholics and 300,000 Protestants. More than one-half of the Protestants are Presbyterians, almost equally divided between Taiwanese and tribal group peoples.

Members of the Presbyterian Church of Taiwan have expressed concern for the future of the people of their country in "A Statement on Our National Fate," which affirms the right of self-determination.

The 187th General Assembly (1975) affirms that confiscation of Bibles or prohibition of Bible study in the native language of any people is an infringement of the freedom of religion, and, therefore, we protest the confiscation by the Republic of China of stocks of romanized Taiwanese and Tayal-language Bibles and the prohibition of Japanese-language Bible study, and call for the restoration of full religious freedom in Taiwan.

We affirm our concern about the continuation of martial law in Taiwan and urge the release of political prisoners and the restoration of full political rights and personal liberty to the 16 million Taiwanese people.

We affirm the position of the Presbyterian Church in Taiwan in its December, 1971, "Statement on Our National Fate" on the right of the 16 million Taiwanese people to determine their own future. [See appendix.] The governments of the United States, the Republic of China (Taiwan), and the People's Republic of China (Peking) should respect the Taiwanese basic right to self-determination.

Further, the 187th General Assembly (1975) directs that this position form the basis for communication and advocacy to officials and agencies of the government and congregations and communicants of the United Presbyterian Church in a manner and at times deemed appropriate by the General Assembly agencies.

PROGRAM AGENCY  
ACTION

The Administrative Cabinet acting Ad Interim for Executive Committee of the Program Agency voted:

1. To reaffirm its confidence in the leadership of the Presbyterian Church in Taiwan, especially its courageous and saintly General Secretary, Dr. C.M. Kao, and its solidarity with the Church in its affirmation of the right of self-determination for the people of Taiwan.
2. To urge the authorities in Taiwan to take the following steps:
  - a. Prompt release of the staff members of the Presbyterian Church in Taiwan who have been detained by the police during the past month.
  - b. Provide prompt and just civil law processes for those arrested in connection with the Kaoshiung incident and the release of all persons detained without charges.
  - c. Carry out free elections for the Legislative Yuan to be held in Taiwan in the near future in which all opposition candidates may freely participate.
  - d. Lift martial law and re-establish freedom of speech, press, assembly, and religion for the people of Taiwan.
3. To affirm, in the words of the Taiwan Relations Act, that "the preservation and enhancement of the human rights of all people on Taiwan are hereby reaffirmed as objectives of the United States" and urge that all negotiations between our government and the authorities in Taiwan recognize the centrality of the concern for human rights including the freedom of religion.
4. To communicate these concerns to the members of the United Presbyterian Church and the proper authorities in Taiwan and the United States.

On December 10th, 1979 an incident occurred in Kaoshiung, Taiwan in connection with an observance of Human Rights Day sponsored by Formosa Magazine which resulted in injuries to 183 police and hundreds of ordinary citizens. Since that time at least 40 persons related to the political opposition have been arrested, four persons have been tortured, several hundred others detained by the authorities, and a goodly number of sympathizers are reported as being "on the run".

Since the December 10th incident, three magazines, Formosa, the Eighties, and Spring Wind which have supported a more open society in Taiwan have been closed down.

The Presbyterian Church in Taiwan has been adversely affected by these developments. Permission to hold the annual mountain tribal outdoor Christmas service was denied this year and Hsu Tien Hsien was arrested while conducting Christmas services in Presbyterian Church in Na-lai, near Chiayi. Nine ministers and staff members of the Presbyterian Church in Taiwan have been arrested. They include two former members of the editorial staff of the Church Weekly, Dean Lin of the Women's Bible Institute in Taipei and five other graduates of the Tainan Theological College. Malicious attacks have been made against the leadership of the Presbyterian Church in connection with the events, and a member of the General Assembly Office Staff, Sui Hun Shih, Secretary to Dr. C.M. Kao, General Secretary, has been detained.

CHRISTIAN SOLIDARITY IN THE NEW SITUATION FACING THE PEOPLE OF TAIWAN  
STATEMENT OF PROGRAM AGENCY OF THE UNITED PRESBYTERIAN CHURCH, USA.

Adopted by the Board of the Program Agency  
February 24, 1979

The normalization of diplomatic relations between the People's Republic of China and the United States of America has deep but differing meanings for the various peoples affected. For the two nations directly involved it carries with it great promise for deepening contacts between the peoples of two countries and the possibilities for reducing tension and building peace in east Asia.\* At the same time, "normalization" is perceived by the people of Taiwan as a potential threat to their security and as being another example of great powers treating them as pawns to be assigned to an area of influence of one government or another without reference to the desires of the Taiwanese people themselves. This is viewed by them as falling far short of the standards of concern for human rights which have been affirmed by the Government of the United States.

The Presbyterian Church in Taiwan has consistently called for recognition of the human rights of the people of Taiwan. The Presbyterian Church has also affirmed that security for the Taiwanese people can only be built upon the development of credible political institutions on Taiwan through which they can participate in determining their future. The necessity for their government to face the reality of "normalization" and the need for internal changes to establish a real democracy is affirmed by that Church.

Because we believe we are all part of the one body of Christ and "if one part of the body suffers all the other parts suffer with it," because of the depth of our ecumenical relations in mission with the Presbyterian Church in Taiwan and our common concern for human rights, the Program Agency of the United Presbyterian Church voted to:

1. Express its sense of unity in Christ with the Presbyterian Church in Taiwan and support of that church's concern for human rights with special reference to the right of the people of Taiwan to participate in decisions determining their future corporate life;
2. Assert again that justice cannot be achieved, and peace cannot be assured in east Asia until the Taiwanese people are accorded the rights guaranteed to all by the Universal Declaration of Human Rights, and that no expedencies should be allowed to obscure those rights or arbitrarily preclude their attainment;
3. Affirm support for Taiwanese Christians in their desire for the end of martial law and their hope that more responsive and reliable means be developed to enable the people of Taiwan to take part in the government of that land;
4. Urge that the government in Taiwan make every effort to carry out in a free and open way the elections originally scheduled for December 23, 1978, and to take steps subsequently to hold general elections for the national legislature which would be representative only of the population on Taiwan;
5. Instruct that this resolution be shared with the congregations of the United Presbyterian Church, sent to the President of the United States and to members of the Senate Foreign Relations Committee, the House Committee on International Relations, and be forwarded to the General Secretary of the Presbyterian Church in Taiwan and to responsible governmental officials in that land.

\*A Statement on "Relationships Between China and the United States: Some Implications of the New Situation for United Presbyterians and Our Response" was adopted by the Program Agency on February 24, 1979.

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PUBLIC STATEMENT ON OUR NATIONAL FATE

by

THE PRESBYTERIAN CHURCH IN TAIWAN

December 30, 1971

The Executive Committee of the Presbyterian Church in Taiwan which speaks for 200,000 Christians in Taiwan, wishes to express its extreme concern over developments in the world which could seriously affect the lives of all who live on this island. Based on our belief that Jesus Christ is the Lord of all men, the righteous Judge and Savior of the world, we voice our concern and our request, and in doing so we are convinced that we speak not only for the church but for all our compatriots.

TO ALL NATIONS CONCERNED

We, the people on Taiwan, love this island which, either by birth or chance is our home. Some of us have roots here going back a thousand years, the majority count a residence of two or three centuries while some have come since the Second World War. We are all well aware of our different backgrounds and even conflicts, but at present we are more aware of a common certainty and shared conviction. We long to live here in peace, freedom and justice. And we do not wish to be governed by Peiping.

We note with concern that President Nixon will soon visit the Chinese Mainland. Some member countries of the United Nations are advocating the transfer of Taiwan to mainland rule, while others insist on direct negotiation between Taipei and Peiping, which means substantially the same betrayal of the people on Taiwan.

We oppose any powerful nation disregarding the rights and wishes of fifteen million people and making unilateral decisions to their own advantage, because God has ordained and the United Nations Charter has affirmed that every people has the right to determine its own destiny.

TO THE LEADERS OF THE REPUBLIC OF CHINA

Our nation has recently become the victim of international political bargaining in world affairs. If this trend is not soon reversed, some day in the near future the people on Taiwan may share the tragic fate of people in countries of eastern Europe which have been oppressed by communism. In order to maintain our position and reputation in the international community, we therefore request our government and people better to grasp the opportunities available, to raise our demand for justice and freedom, and for thorough internal renewal.

Recently the government has stressed the use of new people in official positions. Therefore we earnestly request that within the Taiwan area it hold elections of all representatives to the highest government bodies to succeed the present representatives who were elected 25 years ago on the mainland. The Federal Republic of Germany is not yet unified with East Germany, but its people have been able to elect a new representative government under a temporary constitution. This is an example which our government might consider. Such a political system has enabled the Federal Republic of Germany to find an honorable place among the world nations, even though so far it is not a member of the United Nations.

We believe that such demonstration of renewal and progress will give the people of other nations, as well as our own, the assurance that justice and internal harmony reign within.

OUR APPEAL

When the Presbyterian Church in Taiwan issued its "Statement on Our National Fate" in 1971 it gave rise to attentive and warm responses at home and from overseas. The issuing of the "Statement on Our National Fate" was based on our church's concern for the destiny of our nation. Even though some people misunderstood the "Statement on Our National Fate" and attacked it, our church, as faith and conscience dictate, has continued to confess this firm conviction of the church. In the few years since then, our church has steadfastly upheld the principles and faith of the "Statement on Our National Fate" and has repeatedly advocated that no external world power should interfere with our nation's destiny. Only our own people have the right to determine our own destiny. Our church has not moved from this original purpose, and firmly believes that only a thoroughly practical application of the Constitution, a political reformation, can establish a government in accord with the democratic spirit. Our church has not been negligent in putting forth every effort to achieve this goal.

Conditions change very rapidly and our nation has become isolated in foreign relations, we face an impending world economic crisis and in these circumstances the church must not carelessly take its ease and abandon the role of prophet. We know that if we only praise and commend virtue, this is not an adequate expression of the church's loyalty and patriotic spirit and is no way to help the government overcome present difficulties. Only by speaking the truth in love can we show positive concern for our nation's future, and only thus can we help build up a developing, democratic, just and honest government.

As we examine the danger in which our country stands at this time the church must take responsibility with regard to the nation's survival or fall and honestly express to the government our church's position and state our opinion of the national fate, and at the same time appeal to the church to get rid of the philosophy that is concerned only with the preservation of our own existence and a salvation that has to do only with the individual. In order to save the nation in this time of crisis we must join together in sincerity and carry to completion the church's responsibility to promote justice, liberty and peace so that the church may be worthy to be called a servant of Christ for these times.

Because of this we appeal to the government to view with concern several problems closely related to our national destiny as listed below and we earnestly request the government to receive and approve these proposals.

1. To preserve the freedom of religious faith as guaranteed to the people in the constitution.

The people of every nation in the free world enjoy full religious liberty. Thus every person should be able to enjoy the freedom to use his own language to worship God and to express his own religious faith.

Unfortunately, the Bible published in the local dialect by the Bible Society has been investigated and confiscated and when this happened it was a great shock to people here and abroad. The related authorities regard the Bible in local dialect as in contravention of the policy to promote the use of the National Language and this is their reason for suppressing it. However, one policy of the nation can never contravene the basic spirit of the constitution. Now, although after several negotiations the old edition of the Bible in Roman characters has been returned, we still make a full statement of this to the government in the hope that, in order to preserve the constitutional freedom of faith, the new translation of the romanized Bible may also be returned, and permission be given to continue to publish the Bible in any language.

2. The difficult position of isolation in foreign relations.

Since our government withdrew from the United Nations our nation's foreign relations have suddenly sunk into a state of isolation. Now the government is encouraging every level of people positively to develop foreign relations and to promote cultural and economic connections. Therefore our government ought to permit the church freedom to attend the World Council of Churches and other such church organizations of an international nature. Just because a minority in such organizations may not have the same opinion on some matters as our government we cannot abandon the opportunity to participate in these international church organizations.

3. To establish a relationship of mutual trust and confidence between the government and the church.

It cannot be denied that the church is a powerful force to help promote the nation's progress and security. Between government and church there should be a spirit of mutual trust and confidence. This relationship of mutual trust and confidence must be based on mutual respect for each other.

We suggest that the government should establish a direct relationship with the church authorities and that both parties honestly share their views of the future of the nation and the reformation of society. Only in this way can we promote mutual trust and confidence between church and government.

4. To promote the reconciliation and unity of all people living in Taiwan.

At this time and in this place we should not permit differences of provincial background and party membership to ruin our unity, leading to unfortunate divisions.

Immediately before us is a very difficult situation and it is only as we realize that we are all in the same boat that we can weather the crisis. In order to eliminate discrimination based on provincial origin or party membership we should not allow feelings of superiority between one and the other. All the people ought to enjoy the opportunity of

equal privilege and responsibility. Basically, we are all brothers living together in Taiwan and we ought to treat each other in an attitude of mutual concern, help and acceptance.

5. To preserve the people's security and welfare.

The economy of Taiwan has grown and developed very quickly, and it has, of course, brought with it an affluent society, but has also brought a loss of personal worth, moral decadence, rampant pollution, a wide gap between the rich and the poor and the increasingly serious problem of public peace and order. The church, based on its mission to protect human rights and preserve human dignity, appeals to the government to strengthen the development of society, to focus its attention on the problems of the atmosphere of social corruption, poverty, avarice, public peace and order, and pollution, and to adopt effective measures to safeguard the security and welfare of the people.

In order to take up the mission of the church for this day we also appeal to the church to pay attention to the problems that lie before us, and we beseech the help of the Holy Spirit to lead us and to enable the church to manifest the true role of prophet and priest.

1. To give expression to the spirit of sincerity and justice.

The church is in a difficult position; it easily loses its integrity of conscience by striving to avoid offending other people, being afraid to cause trouble and, so, because of this, it fails to be truly sensitive to the problems of social justice, and only attempts to seek the benefit of its own interests. The worst thing that can happen to a church is for it to ignore its conscience and speak falsely; the church, if it lacks sincerity and justice, will become paralyzed. The spirit of Christ must at every moment be the standard by which the church examines itself.

2. Promote unity within the church and safeguard the church's position.

In the past few years the church's constant divisions have threatened the existence of the whole body of the church, separatist thinking has penetrated deeply by osmosis into the church so as to endanger seriously its unity. Focussing on this practical problem of internal disorder, the church must give attention to the preservation of order and observance of its regulations. We maintain that any behavior that destroys the order and unity of the church must be dealt with strictly.

We must deal with the phenomenon of confusion in the church and the loss of a positive position of faith. The preachers and members of our church are not certain of their faith and lack knowledge of their own church, and so are always easily influenced by other groups; this is usually the result of people acting out of their own desires and shallow psychology. Mutual help and cooperation among the denominations is right, but we must first understand our own doctrine and church order. Moreover, the cooperation of the churches must be based on mutual respect,

for only then can cooperation be achieved.

3. To strive for independence of the church.

The church has passed through one hundred and ten years of history and although the local churches have achieved self-support the General Assembly as a whole has to say "We are still a receiving church." From now on we should put forth greater effort to change from being a receiving church to become "a giving church." The church's independence is not in relation to finances only, but has to do even more with its whole mission, and our church must move on from a time of dependence on the mission boards and enter into the period of independence and mutuality. Through a relationship of mutuality our church can begin to be able to experience sharing the burden of responsibility with the world church. The church must be ready to take the initiative and from its own position of faith proclaim God's justice and uphold freedom and peace.

4. To establish a close relationship with the whole world church.

The reason for division in the church comes from a want of faith in the world wide church. According to our church's confession of faith we believe in the holy catholic church; the church in the whole world ought to respect differences of opinion within it, and the various churches should accept each other and strive after the ideal of unity.

In recent years certain people have devoted themselves to damaging our church's relationship with the world church. We appeal to the church to pay close attention to this kind of action that harms the unity of the church. At the same time we should try to put a stop to, and to reprimand, this kind of harmful activity. From now on, in order to attain a relationship with the world church, our church should plan to promote exchange of work with every part of the world church, to enter more and more into understanding and mutual aid with each other in the world church.

5. Concern for social justice and world problems.

The church should become the servant of justice and truth; the aim of the church's existence is to communicate the message of God's love, and because of this the church must, in dependence on sincere love, enter into the actual life of modern society and by means of service change the conditions of society.

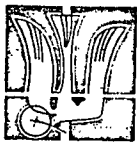
The world of today is full of the fear of unrighteousness and war. Mankind's greatest suffering is the result of mankind's selfish work in the world. The world's problems of hunger, overpopulation and human rights still urgently call for concern and a solution. Our church and the whole body of the church stand together on the same line to extend a helping hand to each other so that the love of God may truly be spread throughout the world.



In these times the church cannot keep silence, sit by and watch the world sink into ruin, - the church, besides participating in the spreading of the gospel and leading men to repent and believe in the Lord, must express concern for the whole nation, society and the whole of mankind - and only in this way will she not fail to live up to the mission entrusted by God.

English translation of the  
Report of the Conference on Church and Society  
sponsored by the Committee on World Church Relations  
of The Presbyterian Church in Taiwan,  
September 15-18, 1975.

52003



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THE GENERAL ASSEMBLY  
THE PRESBYTERIAN CHURCH IN TAIWAN  
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GENERAL SECRETARY  
C. M. KAO

臺灣基督長老教會總會

THE PRESBYTERIAN CHURCH IN TAIWAN

A Declaration on Human Rights by the Presbyterian Church in Taiwan

To the President of the United States, to all countries concerned, and to Christian Churches throughout the world:

Our church confesses that Jesus Christ is Lord of all mankind and believes that human rights and a land in which each one of us has a stake are gifts bestowed by God. Therefore we make this declaration, set in the context of the present crisis threatening the 17 million people of Taiwan.

Ever since President Carter's inauguration as President of the United States he has consistently adopted "Human Rights" as a principle of his diplomacy. This is an epoch-making event in the history of foreign policy.

We therefore request President Carter to continue to uphold the principles of human rights while pursuing the "normalization of relationships with Communist China" and to insist on guaranteeing the security, independence and freedom of the people of Taiwan.

As we face the possibility of an invasion by Communist China we hold firmly to our faith and to the principles underlying the United Nations Declaration of Human Rights. We insist that the future of Taiwan shall be determined by the 17 million people who live there. We appeal to the countries concerned - especially to the people and the government of the United States of America - and to Christian churches throughout the world to take effective steps to support our cause.

In order to achieve our goal of independence and freedom for the people of Taiwan in this critical international situation, we urge our government to face reality and to take effective measures whereby Taiwan may become a new and independent country.

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We beseech God that Taiwan and all the rest of the world may become a place where "Mercy and truth will meet together; righteousness and peace will embrace. Truth shall spring out of the earth; and righteousness shall look down from heaven." (Psalm 85 verses 10 and 11) (Today's English Version and King James' Version)

Signed

H. E. Chao  
Moderator of the General Assembly  
(at present out of the country)

H. K. Wong *H. K. Wong*  
Deputy Moderator of the General Assembly  
(Acting in the absence of the Moderator)

C. M. Kao *C. M. Kao*  
General Secretary

16th August 1977

(Translated from Chinese. The Chinese text governs.)

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Mr. WOLFF. Thank you very much, Mr. Thompson.

I should like to say at this point that we have received a communication from the National Association of Evangelicals, which I request, without objection, be put into the record at this point.

[The information referred to follows:]

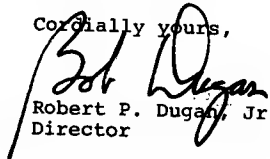
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One morning we met for two hours with perhaps twenty ministers from Taipei and its suburbs, with no government officials present. The ecclesiastical leaders uniformly rejoiced in their religious freedom, and again there was a complete absence of concern about an infringement upon their freedom to worship and to seek converts.

As one more case in point, I had the unexpected privilege of spending a good number of hours with a fellow seminarian, who has spent twenty-five years of his life as a missionary in Taiwan. Never over the years or during our conversation with him there has he even hinted that religious liberty in Taiwan is limited in any way. Furthermore, I believe that it is a fact that Christians have a disproportionately high leadership role in Taiwan, especially in government, when compared to their percentage of the general population.

Incidentally, I was greatly encouraged by the uniform expressions of friendship for the people of the United States that came from officials and others. Our derecognition of Taiwan apparently hurt the people emotionally, but top-level political and church leaders are realists who understand the national security interests of the United States which produced the changes in relationships. I could not help but be most favorably impressed with the situation in Taiwan, as a result of my brief visit.

Cordially yours,

  
Robert P. Dugan, Jr.  
Director

RPDJr:pas

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Mr. WOLFF. A number of people have requested permission to testify. However, we did want to take mainly official representatives of groups. Though we do not have official relations, we want to take official statements rather than statements of individuals. That is why we have restricted the participants at this point.

I should like now to pass on to Mr. Dean if I could at this point.

#### RELIGIOUS FREEDOM

Mr. Dean, in your testimony at the last session it was indicated that the AIT is monitoring the question of religious freedom, the one that we are addressing at the present time. You did make certain references there. I wonder if you would care to amplify upon them today.

#### STATEMENT OF DAVID DEAN, CHAIRMAN OF THE BOARD AND MANAGING DIRECTOR, AMERICAN INSTITUTE IN TAIWAN

Mr. DEAN. We have indeed, sir, tried to keep very closely in touch with developments in Taiwan.

The problem is that religious freedom, as seen by us, has a different appearance to the authorities in Taiwan. The church, the Taiwan Presbyterian Church, considers its activities to be primarily social in nature. They are trying to improve the lot of their parishioners and other people. The governing authorities look upon some of the church's activities as political in nature, and this is the root cause of the dilemma.

I think if one reviews the general situation, it is very difficult to separate out the religious problem from the political one. Previously, the State Department did a report on human rights which indicated that in the last 25 years there had been considerable progress made in human rights in Taiwan. The report went on to say that the Kaohsiung incident was a setback to that forward motion.

In my own experience certainly there has been a great deal of forward motion.

I was first posted in Taiwan many years ago, in 1957. The situation in 1957, as compared to the situation today, is very different in terms of any description you wish to use regarding human rights. There have been considerable advances.

This is one reason why the Kaohsiung riots in December 1979, received so much attention. They and the subsequent arrests in the eyes of observers were a definite setback to the progress I have just mentioned.

If you wish, I could go into a brief analysis of how the authorities look upon this in Taiwan, if that is agreeable. I will not take much time.

Mr. WOLFF. All right.

#### INSECURITY IN TAIWAN

Mr. DEAN. Not surprisingly, the authorities in Taiwan have their own view of the developments following the Kaohsiung incident. They feel that the abrupt break in the U.S. diplomatic relations caused insecurity and uncertainty there, not only in the governing elements but also amongst the people. They felt that abrogation of the Mutual

Defense Treaty and the 1-year moratorium on arms sales and the debate in Congress over the Taiwan Relations Act added to this feeling of uncertainty about the future. At that time, as a result, the elections which had been scheduled for the late December 1978, because of the break in relations, were canceled.

After the first few tense months in 1979, there was a perceptible relaxation on the part of the authorities in the summer of 1979. Last summer it seemed likely that the postponed elections would be rescheduled, and it was at this time that the "Formosa" magazine was given permission to be organized and to publish.

The Formosa group established 10 or 11 offices throughout Taiwan and began to hold small meetings and rallies.

Finally, on December 10 of last year, the Formosa magazine organizers decided to hold a large Human Rights Day rally in Kaohsiung. This rally became a riot and many policemen were injured. Subsequently, the organizers were arrested and tried and the Government brought charges of sedition against eight of those arrested.

In examining the charges against those convicted, it is clear that some of the members of the Formosa magazine did intend to use the magazine as an oppositionist party and that some of the members of the staff of the magazine did in the Kaohsiung Human Rights Day rally seek a confrontation with the authorities. I said that only some of them did this. I think others perhaps were not aware of this desire to push the Government faster into moderating its policies, perhaps, or to force the Government, on the other hand, to be more restrictive or repressive and thereby create even more popular pressure for reform.

It is ironic that a party conclave, the KMT party conclave, was taking place at the very same time, as the Kaohsiung vote in December of last year, and was appointing one of the best known technocrats, one of the men most responsible for Taiwan's economic progress and a very popular man, as the secretary-general of the party. This appointment was indicative, I thought, of the future course the party might take. At the same meeting the KMT also elected nine Taiwanese as members of the standing committee of the KMT Central Committee. This is 9 out of 27, or one-third of the membership of the standing committee.

In addition, it is likely that at that December KMT meeting it was planned to announce the resumption of elections, or an election date.

But this was all wiped out by the riot, and the riot also set back President Chiang's plans for more movement toward liberalization.

#### MOVING TOWARD LIBERALIZATION

Now that the trials themselves have ended, though some are still under appeal, the likelihood is that the Government intends to move, once again, toward more liberalization. Elections now are scheduled for the 6th of December and the 27th of December. These are Central Government elections. In the Legislative Yuan, about 96 new members will be elected, mostly from Taiwan. This will give them almost 25 percent of the 412 Legislative Yuan members after the election. Since many of the present membership are very elderly and therefore are not very active, presumably the membership from Taiwan will be a much more influential group in that body. Likewise, more

Taiwanese will be elected to the Control Yuan and to the National Assembly.

It is clear that the Government's main objective is to try to get members of both communities to live in harmony with each other. They feel that they are in the same boat, that they share the same problems. Their main concern again, however, is to achieve political stability before they feel they can move more toward participatory democracy.

So, the question for the future really is, if they are in the same boat and if the Government feels that harmony and political stability is a prerequisite for further movement toward a more democratic society, will moderates on both sides be able to achieve this forward motion or will that motion toward more liberalization be interrupted or indeed stopped by developments similar to the Kaohsiung riot.

Mr. WOLFF. Thank you very much, Mr. Dean.

Mr. Thompson, does the Presbyterian Church have any role in Formosa magazine?

Mr. THOMPSON. None that I am aware of.

Mr. WOLFF. In other words, it is printed as an independent publication?

Mr. THOMPSON. Yes, sir.

#### CHURCH AND STATE

Mr. WOLFF. I think we are getting into some small problem here in an area about which I have been concerned throughout my political life, that is, separation of church and state activities. I can understand completely the social concerns of the church, which draws upon two basic principles. Religion sees to it that the social concerns are met for all people on a purely compassionate basis.

Dr. Thurber, your position is the direct contact with the church of Taiwan?

[Dr. Thurber nods affirmatively.]

Mr. WOLFF. Other than this particular series of events, which has some political connotations, has there been an interference with the operations of the church in the performance of its religious activities—that is to say, the rights and such activities of the various ministries? I am separating out for the moment the social concerns.

Dr. THURBER. There are several examples where what would be regarded as narrowly defined religious activities have been impeded by decisions of the Government at various levels.

One example of this is the arrest of Mr. Hsien as he gave his Christmas Day sermon last year, when he was forcibly removed from the pulpit by the police and arrested in connection with the so-called Kaohsiung incident.

#### PRINTING BIBLE

At the same time the annual tribal Christmas observance, which had been scheduled for the middle of December had been canceled, seemingly at the insistence of the Government. The matter of the printing of the Bible in the language of the Taiwanese people in 1975 is another case in point. A new edition of the New Testament was printed and all the copies of the New Testament were confiscated. This was done in the name of the National Language Policy of the

Government, but it did interfere with the possibility of the people who are used to using the Taiwanese language—which is true of all of the members of the Presbyterian Church in Taiwan—of having access to the Bible, either for worship or for personal devotion.

Mr. WOLFF. Has anyone attempted to reprint it again of recent date?

Dr. THURBER. They have reached a compromise whereby a Mandarin and Taiwanese language parallel edition now has been issued. So, in a sense the problem in part has been dealt with.

I would say that the forcing by the Government of the Presbyterian Church to leave the World Council of Churches, which is an ecclesiastical body, is an interference in its life.

These are all issues which have various implications in the general society. I would say that in general the policy of the Republic of China has been to observe religious liberty, narrowly defined. Therefore, I would think that the issue really is who defines what is religion, who defines what is the appropriate role of the church. The church always has said that it should define this for itself.

#### WORLD COUNCIL OF CHURCHES

Mr. WOLFF. In a number of situations of recent date I have received a number of communications that are relative to some of the policies of the World Council of Churches. I am not talking now about the Presbyterian Church but of the World Council of Churches.

Mr. THOMPSON. Mr. Chairman, I am a member of the Central Committee of the World Council of Churches as well.

Mr. WOLFF. Perhaps then you can give us some clarification on these matters.

There has been very little in the way of an attempt to secure human rights freedoms in some of the states that are totalitarian states, it is charged, and there is a heavy emphasis on other areas and criticism. I wonder whether or not you could respond to that.

Mr. THOMPSON. I too, have heard this criticism, Mr. Chairman. In my own experience I find it to be quite inaccurate.

The World Council of Churches has expressed concerns for the denial of human rights in totalitarian countries as well as in those which are more democratic in their governmental practices.

In some cases this has been done privately rather than publicly. But I know of my own knowledge that the concern is pervasive. It is not limited to countries in the West, for example.

At the General Assembly of the World Council of Churches in 1975, in Nairobi, Kenya, there was a considerable discussion of the alleged denial of human rights to certain dissidents in the Soviet Union. The representatives of the Russian Orthodox Church who were present at that meeting were quite disturbed by this, but the assembly expressed very forthrightly its concern about those persons nevertheless.

#### PENTACOSTALISTS IN MOSCOW

Mr. WOLFF. I have just introduced, with Congressman Buchanan, the fundamentalist minister—

Mr. THOMPSON. Yes; I am well acquainted with him.

Mr. WOLFF [continuing]. A resolution on the question of the Pentacostalists who are hostage in our Embassy in Moscow. We would enlist your support in this connection as well.



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Mr. THOMPSON. We have been consistently communicating not only with our own Government but also with the Soviet Union, with its Ambassador and even with Chairman Brezhnev, regarding the plight of these people. So we welcome your initiative.

Mr. WOLFF. Mr. Leach.

PARALLEL BETWEEN TAIWAN AND KOREA

Mr. LEACH. Thank you, Mr. Chairman.

Mr. DEAN, some of us are very concerned that what we may be seeing on Taiwan is a replication of what has been occurring in South Korea. Do you see any analogies? Do you share that fear?

Mr. DEAN. Well, I think the people with whom I have spoken on Taiwan do not see any parallel between their own society and that of Korea.

The dilemma is that the people in Taiwan are very realistic. They realize that 95 percent of the army is Taiwanese; that 70 percent of the KMT is Taiwanese; that most of the civil servants, the school teachers, and the policemen are Taiwanese.

The real argument in Taiwan is not about moving toward a more participatory democracy. Rather, the argument is about the pace, about how fast that should go.

I am sure President Chiang is getting advice from some who are saying that he already has gone too far. They are saying that the Kaohsiung riot came about because his government was too lenient toward the oppositionist politicians who formed the Formosa magazine.

There are others who feel that the progress has been much too slow.

But I do not really see an analogy between the situation in Korea and that in Taiwan. The differences, historical and other differences, are great.

President Chiang on Taiwan has a definite policy of bringing more Taiwanese into the top government offices.

One of the three major military units now is headed by a Taiwanese general. I am told that his policy is to bring more Taiwanese army officers into the top command also.

I think the desire on the part of moderates on both sides in Taiwan is to have harmony and political progress and at a rate that satisfies the situation.

PARTICIPATING IN GOVERNMENT

Mr. LEACH. Let me raise a second concern.

There is an issue that obviously is very profound about the number of native Taiwanese who participate in the political structure of both the Administrative and Legislative Yuans. There is a second issue, also profound, about what types of people these are and what dissent they can express. For example, simply to bring in any Taiwanese into part of the one party structure is one thing. But it is quite different to allow political participation to native Taiwanese who do not believe in the principles of the KMT Party.

Do you see any progress in the second area?

Mr. DEAN. Well, I think there has been an effort to bring in more younger Taiwanese into the party and to advance them.

Of course, there are problems. When these younger people get into the party and find that they cannot make very rapid progress,

they become disenchanted and many of them leave for private business or other pursuits, or they become oppositionist politicians.

Certainly in the lower levels of local government, most of the mayors, magistrates, and lower local officials are all Taiwanese and many of them are independent candidates who have won in previous elections over the party candidate. But they are all Taiwanese.

It is true that in the higher levels of government there is some criticism that the officials, the Taiwanese officials, who were appointed do not have as much authority as they might. I already mentioned that one Taiwanese was one of the three top generals in charge of military units. Another is the Governor of the province.

Mr. LEACH. I only would want to stress that there is a major distinction between bringing a particular group into the Government and having free democratic participation or a democracy.

Mr. DEAN. Yes.

Mr. LEACH. I would hope that the KMT would be making that distinction, particularly in relation to bringing about the end of martial law in Taiwan.

I recently had the opportunity to read the constitution which the Republic of China drafted in 1946, which is rife with protections of such rights as freedom of speech, assembly, and to participate. It is those rights which are abrogated by martial law. I would suspect that there is very little chance to see a democratic type of government emerge which is responsive to the people as well as linking it to participation by native Taiwanese unless martial law is lifted. I certainly would hope that that would be soon discovered.

Thank you, Mr. Chairman.

#### RIOTS IN KAOHSIUNG

Mr. WOLFF. Mr. Thompson, I have a question that I hope you can answer.

First of all, you must understand that I am playing the role of devil's advocate in order to try to elicit as much information as we can for a determination by this committee regarding its oversight responsibility, in line with an evenhanded policy, concerning a statement made by the Presbyterian Church and the World Council of Churches relative to the human rights question—for example, should we normalize with the Republic of China.

Mr. THOMPSON. There have been statements regarding the situation in mainland China. I do not recall whether they antedated the normalization of relations or followed that. But there have been such statements.

Mr. WOLFF. On the question of the riots themselves, I wonder if you might give us a little further information which you might have.

The authorities to whom we spoke in Taiwan have indicated that the directions that they have taken have not been against the church, but against individuals. Did the church have any role in the organization of the demonstration in Kaohsiung?

Mr. THOMPSON. No, sir.

Mr. WOLFF. Was it then individuals who were involved?

Mr. THOMPSON. That is correct.

Mr. WOLFF. One other point that was made was the fact that the police were instructed, as I understand it, not to use any of the equipment that they normally would use under riot circumstances.

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Mr. Dean, you might be able to fill in here.

Mr. DEAN. I think this is accurate. The police apparently were under instructions not to fight back, but merely to use their presence, apparently, to move the rioters on. According to most reports, it was the police who suffered all of the casualties. There were reportedly about 183 policemen who were injured. We do not have any reports of civilian injuries.

Mr. WOLFF. Do we have any information on that, Mr. Thompson?

Mr. THOMPSON. Yes.

Let me ask Dr. Thurber to address that.

Dr. THURBER. In newspapers which appeared in Kaohsiung on the next day, there were references to between 40 and 60 civilians who were injured and approximately similar numbers of police, as I recall. In the final tally, the numbers turned out to be 183 and zero. My understanding is that the police in general were not aggressive in their behavior, although there are reports that the initial cause of the major confrontation which took place was the coming in of police cars upon the assembled group with no access or opportunity for leaving. Terror struck in the hearts of people who saw trucks and cars coming in on them and no way of getting out. I understand that this is what happened. It was a spontaneous reaction to danger rather than any sense of a political, seditious plan or activity, which was the chief problem in Kaohsiung.

Mr. LEACH. Mr. Chairman.

Mr. WOLFF. Yes, Mr. Leach.

#### NATURE OF VIOLENCE

Mr. LEACH. I would like to comment briefly.

It is very clear that not only were vehicles brought in, but the cordon of police tightened. It also is clear from reading the transcripts of testimony by those who spoke that there were repeated assertions from the people in the leadership to prevent violence. I would like to read one very thoughtful and historical analysis by one of those on the platform who said, "In the old days, if you wanted to capture a castle, you would always blockade one gate, leaving three open for people to escape." One of the problems here was that there was no capacity for people to escape. I personally think that the responsibility must be shared by both sides. It would be misleading to imply that the violence was a separate province of those who were participating in the rally, or was exclusively sparked by those participating in the rally, even though it is clearly true that many of the police were instructed not to resist.

Mr. WOLFF. There was also some testimony that I read from the trials. It was brought out there that people came after having purchased some type of sticks, or something which they said were for defensive purposes. But to some degree they did have some sort of equipment or weapon.

Could you give us some information on that?

Dr. THURBER. I am far from the chief expert on this matter, but my understanding is that most of the so-called implements that were used were in effect torches that were for light at a nighttime meeting, and that there were some things which were available by the wayside.

Mr. WOLFF. Well, as I understood it, and perhaps Mr. Dean can elaborate, I have been reading the cables on this, and part of the

cables did evidence the fact that purchases were made before the demonstration and these were to be used in a defensive fashion; but they were carried into the area.

Mr. DEAN. One of the charges by the Government in the trials was that several poles had been brought in. I think this is accurate. They were brought in from Taichung or other cities. But the defense claimed that these poles were to be used as torches, to light the parade, whereas the prosecutor claimed that they were designed in advance as weapons.

Mr. WOLFF. I think all of us in this room deplore violence to achieve whatever aims individuals may have. I think wherever it does occur, we have to try to take whatever steps we can against violence that is instigated or violence that just erupts. We should try to remove the causes of that violence wherever we can.

#### KAOHSIUNG TRIALS

Subsequent to the incident itself, the question of the trials is something on which I would seek your comments. How do you look at the trials that were held and their outcome?

Mr. THOMPSON. Let me say in this connection that the World Alliance of Reformed Churches, which is a worldwide organization of reformed churches in many countries, numbering 145 churches, was granted by the Government of Taiwan the privilege of having an observer at those trials. There were observers representing the alliance at each one of the trials.

The reports of those observers still are being reviewed. No official evaluation of them has occurred. But generally the reaction of the observers was that apparently the procedures which are customary in the courts of Taiwan, so far as they were applicable in courts-martial, were observed. There were defense counsel present, who participated in the examination of witnesses. To that degree, the rights of the defendants were protected.

Mr. WOLFF. Dr. Thurber, do you have anything further to say on this question?

Dr. THURBER. I think we are grateful that there were efforts made by the Government to have these trials open and that this effort to have many of the standard procedures for courts-martial observed was in fact carried out.

Mr. WOLFF. Excuse me for interrupting you, but Mr. Leach did refer to a similarity with what might have occurred in Korea. We hope that they observed the open trial situation.

Dr. THURBER. My reading of the reports of the observers would indicate that there was not a substantial dealing with the issues raised by the defense in any way by those who were serving as judges in the court-martial, and that substantial questions in regard to the legality, for instance, of trying a member of the legislative assembly by this kind of courts-martial were not dealt with. The question of martial law itself was not dealt with. Other aspects were not dealt with, for example, the tape record of the Kaohsiung event was available in the Taiwanese language and this was not, in a substantial way, dealt with at the trials.

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From my point of view, I would have to say that this was a pro forma trial and that the sentences which were given were completely out of proportion to the acts that were being judged in this process.

One applauds steps that have been made forward. One only regrets that they were not more substantial steps.

Mr. WOLFF. Mr. Dean, would you like to comment?

MARTIAL LAW TRIAL

Mr. DEAN. Well, I agree, of course, that the trial was a martial law trial and that the court procedures were not those with which we are familiar. Indeed, the society, and the political society, there are not the same as ours. So it is very difficult to use our own values and our own yardsticks to measure their progress.

It is true that the military court trials were open. This is most unusual. I think this is the first time that there have been military courts that were open.

It is also true that the defendants were defended by lawyers of their own choice, and it is true that not only the Presbyterian Church but also our own institute and others were able to send observers to watch the trials.

There is a lot of debate pro and con about the severity of the sentences. Shih Ming-Te received a life sentence. Huang Hsin-chieh, who is a member of the Legislative Yuan, received 14 years. The other defendants, Yao Chia-wen, Chang Chun-hung, Lin Yi-hsiung, Lin Hung-hsuan, Lu Hsiu-lien, and Chen Chu received 12 years each.

These sentences and the sentences that were given to Reverend Kao and many of the other people who were accused of harboring Shih Ming-Te have appeared to many here as being very severe.

Mr. WOLFF. Are any appeals being taken?

Mr. DEAN. Yes.

The group that I mentioned, Shih Ming-Te and the others did appeal, but their appeal was denied.

NO RECOURSE FOR DEFENDENTS

Mr. WOLFF. What is their recourse?

Mr. DEAN. They have no recourse at the present time, other than to throw themselves on the President's mercy and ask for Presidential clemency. Reverend Kao's appeal I believe still is being decided upon. There has been no decision on his appeal yet.

The appeal hearings for a group of others who also were involved in the Kaohsiung riots are being heard now. I believe that appeals hearing began for a group of 31 who were tried in a civilian court on the 21st or the 22d of July. That proceeding has not yet ended.

It is difficult for me to judge what is seen in the eyes of the courts of Taiwan as being the appropriate sentences. I certainly understand the views that have been expressed here.

REVEREND KAO

Mr. WOLFF. Staff has passed me a question on which you may wish to comment.

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What is the church position on the actions of Reverend Kao harboring a fugitive?

Mr. THOMPSON. Are you referring to the United Presbyterian Church in this country?

If so, it is our understanding that Dr. Kao interpreted what he did as not harboring a seditious criminal for at least the reason that the fugitive had not yet been charged and the nature of the charges against him were not known. He understood that what he was doing was providing a Christian ministry to a person who was in an extremity. This is a motivation that we can understand and commend.

Mr. WOLFF. Mr. Leach, I know you have further questions.

#### UNFAIRNESS OF TRIALS

Mr. LEACH. I am a little concerned, David, that your diffidence be interpreted as condoning the manner in which these trials took place. There is a major distinction between openness of trial and fairness of trial. These trials were very open in the last measure, but they were very unfair, both in terms of the sentences that were meted out and, most importantly, in terms of evidence that was submitted.

It does not matter whether one is in a Western society or an Eastern society. Nobody can condone the types of things that took place. Let me cite some.

Some of the defendants testified that they were abused during the interrogation process. Several noted that they were forced to eat salty rice and to drink salt water, which prevents normal bowel movement and causes serious bloating. Some admitted to being beaten. One defendant, who was illiterate, was forced to sign his confession, even though he could not read its contents. There were lots of implications of brutality.

Now one might argue that some people have been beaten more severely than others in other types of foreign settings in prison. But there is no society in any jurisdiction that can argue successfully that that type of behavior by interrogators is appropriate.

As far as I am concerned, we should be very careful to acknowledge and credit the Government of Taiwan for holding an open hearing. But we should not therefore take the second step of acknowledging in any sense that the trials were fair or that the sentences were appropriate. I would hope that it would be the position of the Government of the United States that we have grave concerns in this area.

Mr. DEAN. Yes, sir.

#### CCNAA OFFICES

Mr. WOLFF. I might say that this subcommittee will continue to not only monitor this aspect of the Taiwan Relations Act, but other aspects of it as well.

I see that we have to go over to the floor for a vote.

I am wondering, Mr. Dean, whether you can tell us about something. The State Department has turned down a request by Taiwan to have CCNAA offices in Boston, Kansas City, and Guam. The offices remain, therefore, at 9, as compared with 14, offices that were here prior to the breakoff of relations.

According to the Taiwan Relations Act—and this was an amendment that was put into the act—the President is requested to extend

the instrumentality for the same number of offices and complement of personnel as were previously operating in the United States. Can you advise us on that situation?

Mr. DEAN. It is my understanding that the number of offices, the main office on River Road and the eight others in the United States, was an agreed upon figure in the initial negotiations with Taiwan.

Mr. WOLFF. That was brought up during the debate.

Mr. DEAN. Yes.

Mr. WOLFF. The point was made that the Government on Taiwan was pressured into the number of offices that it maintains rather than making a determination that follows the law itself.

Mr. DEAN. I think that with the number of offices they now have CCNAA seems to be doing very well. If we use trade as a measure, then trade is going up.

Mr. WOLFF. I understand that, but I am sticking to the letter of the law in this instance. We are going to be faced with a number of situations as the continued evolution of relationships with both the People's Republic of China and Taiwan continue to unfold. The point is that there are now 9 offices and there were 14. Isn't that correct?

Mr. DEAN. Yes; that is correct.

#### AIT-STATE RELATIONSHIP

Mr. WOLFF. There are some other questions that have been handed to us by a number of the members. We have been advised that the AIT in Taiwan has been denied use by the State Department of the computer at Bangkok which previously had been used.

What about that situation?

Mr. DEAN. I think I mentioned at our last session that we had contracted with the Bangkok computer facility to do our payrolling and accounting, and we will pay the computer facility on a per item basis for its services.

Mr. WOLFF. Directional intent under the Taiwan Relations Act with regard to funding for AIT was that the appropriations should be provided under the regular State Department account used for funding its embassies and other missions throughout the world. Nevertheless, the executive branch, in its fiscal 1981 budget submission, included a separate line item for AIT instead of including it in the normal State Department account for embassies. Representative Fascell's International Operations Subcommittee, which handles the State Department authorization, had to strike the AIT line item and placed the funding in the regular account for fiscal 1981. That is an unusual procedure.

Is that to be repeated in the future?

Mr. DEAN. I don't know. I am not aware of the original understanding that you mentioned. But the reason for the line item, so far as I know, was to insure that AIT was to get sufficient funding for its tasks.

Mr. WOLFF. As I say, the line item had been struck.

Mr. DEAN. I understand. But I was not aware of that action until this moment. I believe that one of the reasons for the line item was to insure the adequate funding of the Institute.

Mr. WOLFF. Gentlemen, we thank you all for appearing here today. We will continue again with these hearings.

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I think one of the primary responsibilities of this committee will be to monitor the work of AIT and the CCNAA. We hope that by focusing attention on various aspects of the relationship that we will be able to achieve the progress that is desired by all concerned.

Thank you all very much, gentlemen.

This hearing is adjourned.

[Whereupon, at 3:25 p.m., the subcommittee adjourned, to reconvene upon the call of the Chair.]



## APPENDIX

### H. Res. 708

#### RESOLUTION EXPRESSING CONCERN OVER THE KAOHSIUNG INCIDENT IN TAIWAN

Whereas, under the Taiwan Relations Act, the United States has undertaken to preserve and enhance the "human rights of all the people of Taiwan,"

Whereas native Taiwanese constitute 85 per centum of Taiwan's population but have not achieved full political participation in their own government;

Whereas constitutional guarantees of fundamental human rights have been suspended since martial law was declared on Taiwan in 1949;

Whereas democratic progress has not kept pace with the enormous social and economic advances that Taiwan has made over the past three decades;

Whereas more than one hundred Taiwanese were detained or arrested for their involvement in a rally on December 10, 1979, in Kaohsiung, Taiwan, commemorating the thirty-first anniversary of the United Nations Universal Declaration of Human Rights;

Whereas eight leading critics of the government were charged in an open, military trial with seditious actions in organizing the rally and were sentenced to prison terms of from twelve years to life;

Whereas the leader of the Presbyterian Church on Taiwan was sentenced to seven years imprisonment for sheltering one of the leaders of the Kaohsiung rally and 41 other Taiwanese were sentenced to prison terms for their involvement with the Kaohsiung incident;

Whereas, despite the announcement that parliamentary elections will be held in 1980, the fact that virtually all leading critics of the government have been sentenced to lengthy prison terms is a setback to greater Taiwanese participation in the government on Taiwan;

Whereas the trials and sentences of the Kaohsiung defendants may adversely affect prospects for stable political evolution and the achievement of greater participatory democracy on Taiwan; Now, therefore, be it

*Resolved*, That the House of Representatives—

(1) reaffirms that the preservation and enhancement of the human rights of all the people on Taiwan are objectives of the United States;

(2) calls on Taiwan to relax restrictions on the constitutional rights of freedom of expression and to return to recent policies allowing for the development of participatory democracy; and

(3) urges the adoption of a spirit of reconciliation in connection with the Kaohsiung incident so as to enhance future peace and prosperity on Taiwan.

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